

Regional pay bargaining

Darwin Friend

July 2022



POLICY RESEARCH SERIES

Introduction

Determining remuneration levels for all 5.7 million public sector jobs¹ is a complex, centralised process. Pay review boards – with ministerial approval – determine salaries for millions of public sector employees across the country. Limiting Whitehall's responsibilities for setting pay could bring potential advantages.

Determining pay on a regional level could help to reduce the burden on taxpayers who are facing a cost of living crisis and ameliorate some of the crowding out effects in the private sector. Inflated public sector pay in less well-off regions of the UK makes recruitment more expensive and challenging for private sector employers. In better-off areas, there could be less use of expensive agency staff if pay was more regionalised, since public sector employers would no longer have to offer a rate of pay which doesn't reflect the cost of living in the area.

This research will explore savings that could be made by curtailing existing national pay bargaining, and will complement our ongoing research on government office space.

Public sector pay decisions are currently too centralised

The current system of determining public sector pay awards is highly centralised. It is largely decided by ministers, based on the recommendations of eight pay review bodies (PRBs). These bodies cover approximately 45 per cent of the public sector including: the armed forces; NHS; prison service; doctors and dentists; school teachers; police; senior salaries; and the National Crime Agency.²

Civil service pay awards, other than those in the senior civil service, are determined by each department based on guidance issued by the Cabinet Office. This guidance, as well as the remits of the PRBs, is based on government pay policy which HM Treasury announces at budgets and spending reviews.

Other public sector workers' pay, such as in local government, is set by the Single Status Agreement.³ Any changes to this are decided by the National Joint Council for Local Government Services. Firefighters' pay is determined in a similar way through the National Joint Council for Local Authority Fire and Rescue Services. While its pay suggestions are not limited by government pay policy, the National Joint Council typically follows a similar path.⁴

All of these pay setting mechanisms work on a national basis. This takes little account of regional differences in unemployment rates, incomes and the cost of living, other than for London, which is addressed by applying a premium. For civil servants, this London weighting was worth £3,427 on average in 2016.⁵ Yet, given the lower living costs outside London, many staff are significantly better remunerated in relation to local costs than those doing the same job in London.

A centralised approach to pay bargaining is supported by public sector unions for monopsonistic reasons, but fails to deliver remunerations that are reflective of regional circumstances.

¹ Office for National Statistics, *Public sector employment*, 15 March 2022, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/december2021, (accessed 1 April 2022).

² Office of Manpower Economics, *About us*, HM Government, www.gov.uk/government/organisations/office-of-manpower-economics/about#who-we-are, (accessed 31 March 2022).

³ Local Government Association, *Local government terms and conditions (Green book)*, www.local.gov.uk/local-government-terms-and-conditions-green-book, (accessed 31 March 2022).

⁴ Powell, A & Booth, L., *Public sector pay*, House of Commons Library, December 2021, p. 5.

⁵ Hirsch, D., *London Weighting and London costs – a fresh approach?*, Trust for London, 2016, p. 12.

Regional pay bargaining will save taxpayers' money, be fairer and level up regions

Regional pay bargaining would save billions of pounds

An alternative to the current system is to implement regional pay bargaining in the public sector. This allows pay decisions to be made based on the differences within regions depending on private sector incomes and the cost of living. It also allows HM Treasury to retain control of the pay bill, making it less financially risky than a pay bill set individually.⁶

Addressing public sector pay in this way would end the uniform system in which it is currently negotiated, making it responsive to regional disparities between the public and private sectors. This is a nuance the current system is unable to deliver, as pay for staff no matter their location is changed uniformly.

As such, irrespective of their department, responsibility, skill or location, civil servants were able to receive a pay rise of up to three per cent in 2022-23 as stipulated by government guidance.⁷ Meanwhile, average gross pay was already 14.1 per cent higher for public sector staff compared to their private sector equivalents in 2021,⁸ even before considering the more generous pension benefits which public sector staff receive. The lack of flexibility within the national pay bargaining system which has contributed to this.

A regional system could provide the additional flexibility to allow private sector salaries to catch-up with the public sector. This can be done by freezing or reducing pay for existing roles and new positions. This would curb excessive salaries paid in lower-cost regions, such as the West Midlands, which has one of the lowest consumer price levels in England but the fourth highest pay for senior civil service staff.^{9,10} Taking account of pay and pensions, a 2012 Policy Exchange study estimated a £6.3 billion saving,¹¹ which rises to around £8.8 billion if realised fully when growth in the public sector pay bill is accounted for.¹²

This saving could then be used to alleviate the pressures taxpayers are currently facing with the cost of living. An £8.8 billion saving would be enough to cut the basic rate of income tax by 1p and increase the personal allowance by £600.¹³

Reducing reliance on expensive agency staff

The inflexibility of national pay bargaining also drives up costs as employers may not be able to hire appropriate staff at the nationally negotiated pay rate for a position. This is especially the case in higher-cost regions as the public sector, most notably NHS trusts, may struggle to attract the staff they need

⁶ Holmes, E & Oakley, M., *Local Pay, Local Growth: Reforming pay setting in the public sector*, Policy Exchange, 2012, p. 65.

⁷ Cabinet Office, *Civil Service Pay Remit guidance, 2022 to 2023*, 31 March 2022, www.gov.uk/government/publications/civil-service-pay-remit-guidance-2022-to-2023/civil-service-pay-remit-guidance-2022-to-2023, (accessed 1 April 2022).

⁸ Office for National Statistics, *Earnings and hours worked, UK region by public and private sector: ASHE Table 25.7a*, 26 October 2021,

www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2fearningsandworkinghours%2fdatasets%2fregionalpublicandprivatesectorashtable25%2f2021provisional/table252021provisional.zip, (accessed 31 March 2022).

⁹ Office for National Statistics, *Relative regional consumer price levels of goods and service, UK: 2016*, 1 March 2018, www.ons.gov.uk/economy/inflationandpriceindices/articles/relativeregionalconsumerpricelevelsuk/2016, (accessed 16 May 2022).

¹⁰ Cabinet Office, *Civil Service statistics: 2021: table 26, 28 July 2021*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1006364/Statistical_tables_-_Civil_Service_Statistics_2021.xlsx, (accessed 1 April 2022).

¹¹ Holmes, E & Oakley, M., *Local Pay, Local Growth: Reforming pay setting in the public sector*, Policy Exchange, 2012, p. 8.

¹² TaxPayers' Alliance, *Save to spend*, November 2020, p. 4.

¹³ HMRC, *Direct effects of illustrative tax changes bulletin (January 2022)*, 21 January 2022, www.gov.uk/government/statistics/direct-effects-of-illustrative-tax-changes/direct-effects-of-illustrative-tax-changes-bulletin-june-2021, (accessed 13 May 2022).

by offering national pay rates. This leaves vacancies which have to be filled, often by temporary staff supplied by agencies whose pay is not capped.

For agency nurses alone, annual earnings are around 42 per cent higher than for permanent nurses.¹⁴ The result is NHS hospitals spending £2.4 billion per year on agency staff between 2017-18 and 2019-20.¹⁵

Giving departments and institutions the power to negotiate pay rates themselves would allow them to set the appropriate level for staff. This could be by increasing pay in regions with higher costs of living to attract the right people for that money, while in other areas wages could be made to better reflect the lower costs there.

In both circumstances taxpayers' money would be saved: salaries would fall in some areas and the reliance on agency staff would be reduced in higher cost regions.

Regional pay is a more equitable way to address the gap between the public and private sectors

Seeing the pay level gradually take account of local costs through regional pay decision making would begin to address the imbalance between the public and private sector. It rebalances their pay so it reflects the area they are working in, meaning that pay will rise for some and for others it will gradually go down depending on differing regional circumstances.

Taxpayers shouldn't have to pay a higher than necessary public sector wage bill in lower-cost areas. This is exacerbated by poorer quality public services, thanks to a lack of crucial public sector staff in certain areas because pay is held down. Introducing regional pay bargaining would build a fairer system, making public sector pay and pensions more affordable for taxpayers while providing the appropriate remuneration for public sector staff based on local conditions.

Boosting economic growth in low cost regions

Achieving more equal salaries between the public and private sectors, based on regional, local or individual bargaining is not just about saving money but also boosting those lower-cost regions through greater economic growth. This is because it would reduce the crowding out effect of the private sector caused by national pay bargaining,¹⁶ especially in less well-off regions.

National public sector pay rates artificially and disproportionately inflate labour costs for other organisations competing in the same labour market. When these costs are inflated beyond the local cost of living, it has a pass through effect on the private sector by reducing investment and employment in that region. The pass through effect of this is less investment in that region as the public sector is the dominant employer, not private enterprise.

Reducing the crowding out effect through regionalised pay bargaining gives the opportunity to create more private sector employment – and prosperity – in areas with typically higher unemployment. Regions such as the North East and West Midlands would benefit from the approach. Both have unemployment rates over 4.5 per cent¹⁷ and the West Midlands was the only region of Great Britain to

¹⁴ MSI Recruitment, *Are pay rates rising for agency workers?* 15 September 2021, www.msirecruitment.com/blog/2021/09/are-pay-rates-rising-for-agency-workers#:~:text=Agency%20nurse%20annual%20earnings%20are,or%20are%20willing%20to%20travel, (accessed 1 April 2022).

¹⁵ Liaison Group, *Hospitals spent £6.2 billion on agency and NHS bank staff in 2019-20*, 28 July 2020, <https://liaisongroup.com/blog/hospitals-spent-6-2billion-on-agency-and-bank-staff-in-2019-20/>, (accessed 31 March 2022).

¹⁶ Holmes, E & Oakley, M., *Local Pay, Local Growth: Reforming pay setting in the public sector*, Policy Exchange, 2012, p. 43.

¹⁷ Office for National Statistics, *Labour Market in the regions of the UK: May 2022*, 17 May 2022, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/may2022, (accessed 6 June 2022).

have negative growth per head in 2019.¹⁸ This compares to the UK average unemployment rate of 3.7 per cent from January to March 2022 and annual growth in real GDP per head of 0.7 per cent in 2019.^{19,20}

Correcting these issues by decentralising pay decisions outside of Whitehall would be an effective way for the government to implement its levelling up agenda. While many public sector jobs are deemed essential, they cannot produce the prosperity required to grow 'left behind' regions. This can only be done by encouraging private enterprise to invest and create jobs in those areas, supporting households with cost of living pressures in the process.

¹⁸ Office for National Statistics, *Regional economic activity by gross domestic product, UK: 1998 to 2019*, 26 May 2021, www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/regionaleconomicactivitybygrossdomesticproductuk/1998to2019, (accessed 16 May 2022).

¹⁹ Office for National Statistics, *Labour Market in the regions of the UK: May 2022*, 17 May 2022, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/may2022, (accessed 6 June 2022).

²⁰ Office for National Statistics, *Regional economic activity by gross domestic product, UK: 1998 to 2019*, 26 May 2021, www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/regionaleconomicactivitybygrossdomesticproductuk/1998to2019, (accessed 16 May 2022).

Regional pay bargaining offers more opportunities to modify the public sector pay bill

A lower public sector pay bill in the regions of the UK could act as a stimulus for jobs to be moved outside of London. The capital in particular has the opportunity to modify the pay bill as it typically has more public sector workers with higher salaries, changing this could create a fairer system for taxpayers.

Of all civil servants based in England, 27 per cent are in London, significantly more than any other region.²¹ For example, the East Midlands has only five per cent of England-based civil servants.²² Furthermore, 70 per cent of staff are working at executive officer grade or above – up from 52.9 per cent in 2011.²³ The capital also has a higher median salary for every level of responsibility than every region of England, other than the senior civil service.

Tables one and two illustrate that there are opportunities to modify the public sector pay bill, particularly when it comes to the civil service, as London has a disproportionate number. This could be done by reducing the number of staff or distributing them to other regions of the UK.

Table 1: number of civil servants in each region by responsibility, United Kingdom, 2021²⁴

Region	Senior civil service level	Grades six and seven	Senior and higher executive officers	Executive officers	Administrative officers and assistants	Total
East Midlands	90	1,420	4,750	6,120	8,000	20,380
East of England	120	1,340	5,090	7,170	7,830	21,550
London	4,700	27,640	33,940	21,300	12,710	100,290
North East	120	2,040	6,160	7,910	13,680	29,910
Northern Ireland	20	240	900	980	1,690	3,830
North West	290	4,570	12,980	18,380	21,110	57,330
Scotland	330	4,650	12,100	13,560	16,850	47,490
South East	190	3,380	9,790	12,740	14,160	40,260
South West	340	6,200	16,170	10,580	9,400	42,690
Wales	300	3,220	9,120	9,420	12,930	34,990
West Midlands	210	2,370	6,800	9,360	10,350	29,090
Yorkshire and the Humber	280	3,850	8,960	10,510	11,670	35,270
All employees	6,990	60,920	126,760	128,030	140,380	463,080

²¹ Cabinet Office, *Civil Service statistics: 2021: table 16*, 28 July 2021, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1006364/Statistical_tables_-_Civil_Service_Statistics_2021.xlsx, (accessed 1 April 2022).

²² Ibid.

²³ Cabinet Office, *Civil Service Statistics as at March 2021*, 28 July 2021, p. 1.

²⁴ Cabinet Office, *Civil Service statistics: 2021: table 16*, 28 July 2021, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1006364/Statistical_tables_-_Civil_Service_Statistics_2021.xlsx, (accessed 1 April 2022).

Table 2: median salary of civil servants in each region by responsibility, United Kingdom, 2021²⁵

Region	Senior civil service level (£)	Grades six and seven (£)	Senior and higher executive officers (£)	Executive officers (£)	Administrative officers and assistants (£)
East Midlands	83,850	53,430	33,840	27,570	21,010
East of England	94,000	55,430	35,310	27,570	21,500
London	81,900	58,910	37,560	30,110	25,110
North East	78,050	52,580	32,960	27,570	21,010
Northern Ireland	74,780	52,580	32,060	25,560	20,310
North West	80,250	52,630	33,520	27,570	21,010
Scotland	83,230	61,010	35,810	27,570	21,010
South East	89,850	54,540	35,530	27,570	21,580
South West	91,000	54,540	35,900	27,130	21,010
Wales	79,870	58,160	37,020	27,570	21,050
West Midlands	88,360	52,790	34,290	27,570	21,010
Yorkshire and the Humber	77,850	52,770	34,090	27,570	21,010
All employees	82,380	57,000	36,030	27,570	21,050

If all employees in London carried out the same job in the second highest paying region, the South West, the savings would be almost £300 million. If they worked from the lowest paying region, the North East, the saving could be almost £450 million.

Savings could also be driven by modifying where those in civil service grades work. There are 52,810 civil servants in grades six and seven in England, 52 per cent of which are based in London.²⁶ This is especially relevant, as if this was changed so that all regions had an equal share of grade six and seven civil servants, it would save almost £116 million in salary payments per year.

The government has first committed to reducing the number of non-frontline civil servants to 2019-20 levels by 2024-25,²⁷ a reduction of 40,000.²⁸ If they earned the UK median public sector salary uniformly, this would amount to a saving of more than £1.1 billion. Returning to 2015-16 levels would reduce the number of non-frontline civil servants by as many as 70,000,²⁹ taking the potential savings up to £2 billion. A £3.5 billion saving could be made if the government presses ahead with reducing civil service numbers by 91,000.³⁰ However, if pay was individualised, then in future the government could reduce pay rather than the number of positions.

²⁵ Cabinet Office, *Civil Service statistics: 2021: table 26*, 28 July 2021, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1006364/Statistical_tables_-_Civil_Service_Statistics_2021.xlsx, (accessed 1 April 2022).

²⁶ Ibid.

²⁷ HM Treasury, *The Quiet Revolution: Redefining the 'How' of Government Spending*, 29 March 2022, www.gov.uk/government/speeches/the-quiet-revolution-redefining-the-how-of-government-spending, (accessed 4 April 2022).

²⁸ Rees, T., Up to 40,000 civil service jobs face the axe, *Daily Telegraph*, 10 April 2022.

²⁹ Ibid.

³⁰ Groves, J., Bloodbath for civil service: 91,000 jobs will be axed as one in five staff are expected to go in huge shake-up that could save £3.5bn to ease cost of living crisis, *Daily Mail*, 12 May 2022.

More appropriate for current working trends

Following the covid-19 pandemic, many public sector staff have continued working from home permanently or for a majority of the working week. This is especially the case for those in the civil service, where HM Treasury has allowed staff to work from home in the hybrid pattern on a permanent basis.³¹ Data released by Jacob Rees-Mogg, minister of state for Brexit opportunities and government efficiency, revealed that 15 departments had less than 50 per cent staff back in the office.³² Mobility data has also shown that workplace occupancy in Westminster is 21 per cent below the baseline level of January to February 2020.³³

If working patterns are expected to change, so should remuneration. A move away from national pay bargaining would be more suited to this post-pandemic working environment. This way, pay can be decided on a local basis rather than increasing wages for the entire group, no matter how or where they choose to work. For example, if London-based public sector staff choose to work from home then it should be easier to restrict their access to the London weighting as this is given to subsidise the higher cost of living in the capital, a large part of which is travel to and from work.

These savings could be significant, as the total cost of the London weighting allowance for the civil service is £418 million per year.³⁴ If the entire civil service in London were to pursue a hybrid model, working from home for three out of five days per week, a saving of £731 million could be realised.³⁵ Expanding this to all non-frontline public sector roles in London would create further savings given there are 770,000 public sector jobs in the capital in total.³⁶

³¹ Russell-Jones, L., Treasury civil servants to work from home forever in blow to Rishi Sunak, *City AM*, 2 September 2021.

³² Guido Fawkes, *Mogg's Whitehall work from home league table*, 19 April 2022, <https://order-order.com/2022/04/19/moggs-whitehall-work-from-home-league-table/>, (accessed 3 May 2022).

³³ Google, *COVID-19 Community Mobility Report: Greater London*, 3 April 2022, p.3.

³⁴ Ryan, T., *Government office space*, TaxPayers' Alliance, November 2021, p. 2.

³⁵ Ibid.

³⁶ Office for National Statistics, *Earnings and hours worked, UK region by public and private sector: ASHE Table 25.7a*, 26 October 2021,

www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2fearningsandworkinghours%2fdatasets%2fregionbypublicandprivatesectorashe%2ftable25%2f2021provisional/table252021provisional.zip, (accessed 31 March 2022).

Closing the gap between the public and private sector

Pay

Changing the way pay is negotiated is not just about saving money for taxpayers. It also creates a fairer balance between the public and private sectors. Public sector jobs currently have higher median gross pay than the private sector in every region of the UK, with the median UK wage for the public sector being £28,627 compared to the private sector's £25,085.³⁷ This is a gap of 14.1 per cent. Median annual gross pay was 31 per cent higher in the Scottish public sector compared to the private sector, the largest gap in the UK.

As tables three and four show, there is a strong argument for change and greater parity between both sectors. In 2021, the annual increase for median public sector pay in the UK was 5.8 per cent, while the private sector saw a decline of 2.3 per cent in 2021.³⁸

The contrast is most clear with median private sector pay. This fell, as table four shows, in every region other than the North West and West Midlands in 2021. Even in these regions the pay rises were minimal compared to the departments in table six, being 0.1 and 0.5 per cent respectively.

The impact of such discrepancies are illustrated by table five, which shows that if the median public sector pay were brought into parity with the private sector, there could be a saving of over £20 billion. This saving alone is more than enough to nullify the national insurance rise and cut income tax by 1p.

Regional pay bargaining would help narrow the gap as pay rises would no longer be uniform across large sections of the public sector. Instead they would be relative to the cost of living in their region, so pay rises would be lowered in areas where costs are less, allowing the private sector to compete on an even footing.

Table 3: median salaries, number and total cost of public sector jobs by region, Great Britain, 2021³⁹

Region	Number of public sector jobs	Median annual gross pay (£)	Annual percentage change (%)	Total public sector staff costs (£)
East	520,000	26,200	5.3	13,624,000,000
East Midlands	361,000	26,445	5.9	9,546,645,000
London	770,000	36,708	3.4	28,265,160,000
North East	233,000	26,255	6.6	6,117,415,000
North West	664,000	27,741	2.2	18,420,024,000
Scotland	767,000	30,933	9.7	23,725,611,000
South East	773,000	28,165	6.9	21,771,545,000
South West	453,000	26,284	8.6	11,906,652,000
Wales	379,000	26,312	3.5	9,972,248,000
West Midlands	401,000	28,210	6.4	11,312,210,000
Yorkshire and the Humber	484,000	25,961	3.7	12,565,124,000
Total	5,805,000			167,226,634,000

³⁷ Office for National Statistics, *Earnings and hours worked, UK region by public and private sector: ASHE Table 25.7a*, 26 October 2021,

www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2fearningsandworkinghours%2fdatasets%2fregionalpublicandprivatesectorashtable25%2f2021provisional/table252021provisional.zip, (accessed 31 March 2022).

³⁸ Ibid.

³⁹ Ibid.

Table 4: median salaries and annual percentage change for private sector jobs by region, Great Britain, 2021⁴⁰

Region	Median annual gross pay (£)	Annual percentage change (%)
East	25,014	-0.9
East Midlands	23,536	-2.3
London	33,656	-5.7
North East	21,644	-5.1
North West	23,528	0.1
Scotland	23,624	-4.4
South East	27,247	-1.9
South West	23,316	-2.9
Wales	21,877	-3.3
West Midlands	24,620	0.5
Yorkshire and the Humber	23,155	-1.7

Table 5: cost of public sector jobs if private sector median salary was used by region, Great Britain, 2021⁴¹

Region	Number of public sector jobs	Cost of public sector jobs using median public sector pay (£)	Cost of public sector jobs using median private sector pay (£)	Saving (£)
East	520,000	13,624,000,000	13,007,280,000	616,720,000
East Midlands	361,000	9,546,645,000	8,496,496,000	1,050,149,000
London	770,000	28,265,160,000	25,915,120,000	2,350,040,000
North East	233,000	6,117,415,000	5,043,052,000	1,074,363,000
North West	664,000	18,420,024,000	15,622,592,000	2,797,432,000
Scotland	767,000	23,725,611,000	18,119,608,000	5,606,003,000
South East	773,000	21,771,545,000	21,061,931,000	709,614,000
South West	453,000	11,906,652,000	10,562,148,000	1,344,504,000
Wales	379,000	9,972,248,000	8,291,383,000	1,680,865,000
West Midlands	401,000	11,312,210,000	9,872,620,000	1,439,590,000
Yorkshire and the Humber	484,000	12,565,124,000	11,207,020,000	1,358,104,000
Total	5,805,000	167,226,634,000	147,199,250,000	20,027,384,000

Pensions

Public sector pensions are also more numerous and generous than in the private sector, with 80.5 per cent of those in public administration and defence on a defined benefit pension scheme.⁴² These

⁴⁰ Office for National Statistics, *Earnings and hours worked, UK region by public and private sector: ASHE Table 25.7a*, 26 October 2021,

www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2fearningsandworkinghours%2fdatasets%2fregionalbypublicandprivatesectorashtable25%2f2021provisional/table252021provisional.zip, (accessed 31 March 2022).

⁴¹ Ibid.

⁴² Office for National Statistics, *Pension type by industry and gross weekly earnings: Table P2.1a*, 1 April 2021, www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2fworkplacepensions%2fdatasets%2fannualsurveys

Department	Highest percentage pay rise (%)	Highest cash value pay rise (£)	Average staff pay rise (%)
Department for Work and Pensions	15.8	17,700	Not provided
HM Treasury	7.3	8,000	Not provided
Home Office	9	7,292	Not provided
Ministry of Defence	28	6,411	Not provided
Ministry of Housing, Communities and Local Government	21.4	5,990	Not provided
Ministry of Justice	7.6	7,059	Not provided

Conclusion

The public sector workforce has significant remuneration benefits, including an employer pension premium, over their private sector counterparts. Regionalising pay bargaining would reduce costs to taxpayers, institute a fairer pay system between the public and private sectors and support regions with more private investment and jobs to increase economic growth.

At the same time as altering how pay is deliberated, ministers must contemplate how many jobs, notably civil servants positions in London, are essential. Those which can be moved or scrapped should be, saving money and creating a greater balance of public sector staff in the regions of the UK.