



**Joint Negotiating Committee (JNC) for Local Authority
Craft and Associated Employees**

PAY CLAIM 2024

This JNC pay claim for 2024/25 is made by the Joint Trade Union Side (GMB and UNITE) to the Local Government Association.

Our claim is for:

- **A 10% or £3000 increase in pay (flat rate to increase with inner and outer London figures as a %)**
- **A reduction in the working week to 35 hours with no loss of pay.**
- **An additional 2-days of annual leave**
- **Increase in Tool insurance**
- **Charging/responsibility payment for tools, phones, tablets etc.**

March 2024

CONTEXT OF OUR CLAIM

The previous local government settlements have not addressed real terms pay cuts and decreasing value of local government craft workers' pay since 2010. Pay continues to fall behind inflation, lagging fellow craft workers in the private sector, and pushing more workers and their families into financial peril.

Pay freezes and below inflation pay rises means pay restoration is vital to the continuation of craft services in local government, with the need for a fully funded financial settlement to deliver investment in the workforce and the insourcing of work to deliver public service reform and services a key part of any future strategy in local government.

During 2023, a trade union surveyed 1400 local government workers concerning the impact that the cost-of-living crisis was having on them¹. The results were damning and powerful:

The survey of over 1,400 members found that.

- Nearly half (48 per cent) have struggled to afford heating, electricity, and water bills,
- 30 per cent have struggled to afford food and clothing.
- Almost a quarter (23 per cent) are skipping meals to save money,
- 17 per cent have struggled to meet rent and mortgage payments,
- Six per cent have been forced to use food banks.

Additionally, the survey found that 71 per cent of respondents did not feel valued by their employer and that over a quarter (26 per cent) are considering leaving their jobs in the next six months. Of those considering leaving two thirds (68 per cent) said this was due to low pay.

This is not a place where our local government should be, as these are the very workers that ensure our public services function; build, and maintain public buildings, and have a key role to play in addressing the housing crisis and development of low carbon solutions which cut emissions from housing and public buildings.

¹ <https://www.unitetheunion.org/news-events/news/2023/june/new-union-survey-shows-local-government-workers-struggling-to-make-ends-meet-ballot-for-strike-action-coming-following-poor-pay-offer>

Inflation rates and RPI

The trade union side believes that the Retail Prices Index (RPI) remains the most accurate measure of inflation faced by employees. The RPI, which includes housing costs, is a more accurate cost of living index than the CPI, which is always lower as it does not include housing and related costs. Employers favour the CPI as it creates a lower base rate for inflation as an element in possible wage claims. In that respect, the CPI is a hidden tax on workers' wages if it is used as a base for cost calculations.

Cost of Living

It is patently not true that the cost-of-living crisis ends as inflation falls. The evidence is that this is just not the case. Between July and October, it is reported that people are twice as likely to report that their financial situation had become worse than better (38 per cent vs 15 per cent)². This Autumn, 22 per cent of households are food insecure – almost three times as many as were in that position pre-pandemic (8 per cent).

The UK economy fell into recession in the second half of 2023, but as the Resolution Foundation have pointed out, families have experienced a far deeper living standards downturn, with GDP per capita now 4.2 per cent off its pre-cost-of-living crisis path – equivalent to a loss of nearly £1,500 per household³.

Housing costs

The increase in interest rates have led to much higher borrowing costs for households, notably mortgage interest rates which have risen sharply from low rates seen previously. It is expected that around 1.6 million households whose fixed rate mortgages end in 2024 face higher mortgage costs⁴.

Evidence highlights that average annual increases in mortgage costs are expected to be around £2900 per year, close to £250 per calendar month. It is also the case that rental price growth has also been rising in recent years. The Resolution Foundation reports that two fifths of adults under 55 saw their housing costs increase⁵.

Pay Levels

The trade union side believe that the continuation of real term pay cuts across local government has a detrimental impact on public services. The recent pay settlements across local government craft workplaces have not restored pay levels and workers

² Resolution Foundation

³ <https://www.resolutionfoundation.org/press-releases/uk-falls-into-recession-and-a-far-deeper-living-standards-downturn/>

⁴ <https://moneycomms.co.uk/35-years-since-the-first-fixed-rate-mortgage-heres-whats-happened-since/>

⁵ Resolution Foundation.

remain underpaid and the gap between public sector workers and those in the private sector grows. It is fundamental that this years' pay settlement addresses this.

ECONOMIC BACKGROUND

The value of our members pay in local government has been systematically devalued due to the failure to keep pace with RPI. The Office for Budget Responsibility has warned of a drop in living standards of 3.5% by 2024/2025 compared to pre-pandemic levels.⁶ While this is half the peak-to-trough fall expected in March, it still represents the largest reduction in real living standards since ONS records began in the 1950s.

While inflation has begun to fall, the fact remains that the price of goods and services required by workers to maintain a decent standard of living for their families remains high. While falling inflation is welcomed the increasing cost of food, energy and housing has left workers facing the harshest cost of living pressures in living memory.

ONS data shows that households with the lowest incomes experience a higher-than-average inflation rate, while the highest-income households experienced lower than average inflation. This disparity is due to low-income households being more affected by high food and energy prices.⁷

The table below identifies some key costs associated with family budgets and highlights huge increases which workers are faced with:

RPI component groups rising faster than inflation (4.9%)

RPI component	annual increase %
Mortgage interest payments	40.0
Vehicle tax and insurance	38.1
Other tobacco	23.4
Dwelling insurance and ground rent	19.5
CDs and tapes	17.4
Women's outerwear	16.8
Pork	15.1
Children's outerwear	14.9
Foreign holidays	14.3
Oils and fats	14.2
Cigarettes	13.9
Postage	12.6
Biscuits and cakes	11.1
Men's outerwear	10.1

⁶ <https://obr.uk/efo/economic-and-fiscal-outlook-november-2023/>

⁷

[https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/householdcostsindicesforukhouseholdgroups/january2022toseptember2023#:~:text=Increases%20in%20household%20costs%20peaked,decile\)%3B%20electricity%2C%20gas%20and](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/householdcostsindicesforukhouseholdgroups/january2022toseptember2023#:~:text=Increases%20in%20household%20costs%20peaked,decile)%3B%20electricity%2C%20gas%20and)

Telephones, tele messages	10.0
Milk products	9.7
Sweets and chocolates	9.7
Tea	9.6
Maintenance of motor vehicles	9.5
Potato products	8.8
Bacon	8.8
Pet care	8.5
Wines and spirits	8.5
Water and other charges	8.4
Potatoes	8.3
Bus and coach fares	7.9
Restaurant meals	7.9
Processed vegetables	7.9
Chemists' goods	7.8
Beer	7.8
Other clothing	7.8
Rent	7.7
Vegetables other than potatoes	7.7
Take-away meals and snacks	6.9
Bread	6.8
Soft drinks	6.8
Eggs	6.5
Footwear	6.3
Fruit	6.0
Beef	5.7
Other meat	5.7
Books and newspapers	5.6
Entertainment and other recreation	5.4
Fresh fish	5.3
Sugar and preserves	5.3
Personal services	5.2
Council tax and rates	5.1
UK holidays	5.0
Domestic services	5.0

Source: ONS, February 2024

Contrary to the political narrative espoused around falling inflation, that somehow workers can look ahead with increasing confidence, the reality is that living costs are stubbornly high and bringing serious pressure upon household incomes. Food prices are not falling, it is merely that the prices are increasing at a lower rate than in previous months. Rising at 7% in the year up to January 2024, that's still over the

rate of wage growth. To hard working families this is cold comfort and grocery bills are a cause of concern for many.⁸

It is therefore imperative that the pay of local government craft workers restores salaries to a level and ends the real term pay cuts which these workers have suffered during the last ten years.

8

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costoflivinginsights/food#:~:text=The%20overall%20price%20of%20food,the%20year%20to%20December%202023.>

COMPARISONS WITH THE CONSTRUCTION SECTOR

One of the key factors in attracting high quality new entrants into the local government building service sector and retaining existing skills is to offer an attractive pay and terms and conditions package.

Construction workers in local government remain grossly underpaid for their level of skills and qualifications. In the private sector tradespersons can earn average weekly wages far more than the average local government craft worker. For example, industry pay trends of private sector construction workers establish real time information that joinery, electrical and other trade groups identifies that rates across the industry for are approximately £932 per week, with electrical workers able to earn up to £1048 weekly.⁹ Furthermore, if you compare the rates of pay in local government with those in the main industry collective bargaining arrangements, our members are worse off than their peers in the trades.

National Agreement	Latest Pay increase (%)
CIJC	6% plus 1.5% (Jan 24)
JIB	7%
NAECI	11.3%
BESA	7%

Construction workers are a transient group who can ply their trade and work across different sectors of construction at any location with transferable skills necessary to work on industry super-projects where pay levels entice workers.

At a time of pressure on the basic cost of living including housing costs then the wage levels to be earned in the private sector become more appealing to members. It is long overdue that local government employers understood the worth of craft workers.

The JNC craft rates lag the wider industrial rates paid in the sector. This is set to worsen with the already widely known sector skills shortage, with CITB recently releasing a skills network report suggesting the industry requires over 225,000 extra workers until 2027¹⁰. This is being influenced by massive infrastructure projects that can offer salaries far more than local government rates. As a time of crisis and financial pressures across households the potential of workers to migrate to the private sector should not be underestimated.

The Trade Union side is demanding a flat rate increase of £3000 (or 10% whichever is higher) to all craft workers' pay. Any pay settlement must recognise that the most recent settlement only scratched the surface of restorative pay after years of financial hardship suffered by craft workers in local government. The offer should also ensure no widening of the differential between Craft, General Operative and Apprentices. Apprenticeship pay is low and should be raised substantially to address

⁹ <https://www.hudsoncontract.co.uk/industry-insight/construction-pay-trends>

¹⁰ <https://www.citb.co.uk/about-citb/construction-industry-research-reports/construction-skills-network-csn/>

recruitment and retention problems, in line with the wider offer. The offer needs to reflect craft identity of the workforce and catch up with other industrial agreements and recognise that the continuation of housing and construction services provided by local government craft workers depends on attracting highly skilled tradespersons.

WORKING HOURS

The Trade Union side are proposing a reduction of the working week from the current 36 hours in London and 37 hours in the rest of the UK, to 35 hours (34 in London), without any loss of pay. There has been no change in working hours since 1999 and bringing this group of workers in line with the average working week in the UK of 35 hours, is long overdue.

The TUC has outlined that on a broader level, those in the public sector are more likely to be working unpaid overtime than those in the private sector. A quarter of public sector employees usually work at least an hour of unpaid overtime, compared to 16 per cent of those in the private sector.¹¹

Local government workers routinely work unpaid overtime. This is rarely claimed back as TOIL and is too often seen as 'part of the job'. Cuts, staff losses and recruitment freezes have compounded this problem – leading to an unacceptable culture of long hours, burnout, and stress.

It is proven that working long hours can lead to serious and chronic mental and physical ill health, stress, fatigue and increases in workplace incidents¹². Long hours can have in decreasing productivity within organisations, lowering morale and leading to increased staff turnover¹³.

TUC analysis¹⁴ shows that public sector employees continue to carry out a disproportionate amount of unpaid overtime in the UK, and point out that in the public sector, overworking and excessive workloads are driven by a recruitment and retention crisis, exacerbated by a decade of government-imposed pay restraint.

Statistics have been disrupted by the pandemic, but the Labour Force Survey has consistently shown that disproportionate numbers of local government workers normally work some unpaid overtime - compared to all employees.

In pursuing a reduction in working hours the argument for a more positive work life balance is growing and gaining ground. For example, the UK's 4 Day Week Campaign is arguably the most active and successful of its kind. In the last two years alone, they have accredited more than 115 UK companies and organisations as four-day week employers, worked with South Cambridgeshire District Council on the first ever Local Authority pilot, launched a petition backing the policy signed by over

¹¹ <https://www.tuc.org.uk/blogs/work-your-proper-hours-day-lets-stop-working-free>

¹² Working Long Hours Health & Safety Laboratory, 2003

¹³ Breaking the long hours culture, The institute for employment studies, 1998

¹⁴ TUC, UK workers and unpaid overtime, Feb 2022

130,000 people, and regularly filled the airwaves with stories about the benefits of a four-day week¹⁵.

This pilot found that work stress decreased over the trial period. On a 1-5 scale from 'never' to 'all the time', the frequency of reported work stress declined on average from 3.07 before to 2.74 after the trial. While nearly 13% of employees did experience an increase in stress, three times as many (39%) were less stressed, with the remainder (48%) recording no change in stress levels. Burnout also declined on average from a score of 2.8 to 2.34 (captured through a score amalgamated from 7 associated criteria ranked on a 1 to 5 frequency scale, capturing experiences of tiredness, exhaustion, frustration, and more). A significant 71% of employees reported lower levels of burnout, compared to only 22% who registered a higher burnout score.

Researchers have shown that more time off makes people happier and improves productivity – making it good for employees, employers, and the economy as a whole¹⁶, while benefiting wider society, the environment,¹⁷ and good for gender equality given women shoulder more than 60% of unpaid work¹⁸.

In concluding the evidence of a 4-day working week trial run across the UK, research group Autonomy highlighted that efforts to revise working practices successfully improved productivity without any knock-on ill effects. Additionally, it was found that employees' job satisfaction improved by the end of the trial. There was little desire to return to old ways of working. When asked to make a hypothetical trade-off between working time and pay, 70% of employees said they would require a higher salary of between 10-50% to go back to a full, five-day schedule, and 8% would need more than 50% extra pay or more. For some 15%, there was no amount of money that could take them back from the four-day week.

The Trade Union Side is clear that a meaningful pay rise and improvements to managing workload and working time must play a central role in tackling this epidemic. The predominant cause of work-related stress, depression or anxiety from the Labour Force Survey was workload, in particular tight deadlines, too much work or too much pressure or responsibility - the biggest single cause of sick leave by some distance.

The Trade Union Side believes that now is the time for the working week and holiday entitlement of staff to be improved nationally and is therefore calling for:

- **A reduction of the working week to 35 hours with no loss of pay, and a reduction to 34 hours a week in London. A pilot scheme to be implemented across several authorities across England and Wales.**

¹⁵

<https://autonomy.work/portfolio/uk4dwpilotresults/#:~:text='Before%20and%20after'%20data%20shows,improved%20across%20the%20trial%20period.>

¹⁶ Are We More Productive When We Have More Time Off, Zenger & Folkman, 2015

¹⁷ Working Hours and Carbon Dioxide Emissions in the United States, Fitzgerald & Schor, 2018

¹⁸ Women shoulder the responsibility of 'unpaid work', ONS, 2016

- **An increase of two days annual leave days for all employees.**

FALL IN THE VALUE OF TOOL ALLOWANCES

The real terms value of the tool allowances has fallen significantly over time. The value of most allowances has been cut by 31 per cent in real terms since 2008 compared to the RPI (and by 22 per cent compared to the CPI). Meanwhile, the cost of tools has increased significantly. The price of small tools alone has gone up by 40.1 per cent since 2015 alone, according to Central Government's favoured CPIH measure.

Meanwhile, the value of the tool allowances has fallen behind international comparators. We reiterate again that the allowance paid to craft workers employed by the Republic of Ireland government was increased to £15.17 a week in the second half of 2022.¹⁹

The cost of tool insurance is also another significant expense that is incurred in the normal course of duties. Employers' purchasing power could reduce the cost of premiums, which would mirror common arrangements in the private sector. Consistent tool insurance cover would also reduce the risk of inefficient working in cases when craft workers cannot afford to replace their tools.

We are therefore calling for:

- **A substantial additional increase in the tool allowances to at least make them competitive with the craftworker rate in the Republic of Ireland.**
- **For the Employer Side to negotiate over the introduction of a fair level of tool insurance cover as a Red Book requirement.**

INCREASED USE OF TECHNOLOGY PAYMENT

Our members reiterate in this claim our position that craft workers should receive a use of technology allowance to compensate them for the use of their home and energy for the council. The allowance needs to be at a level that minimises tax implications while also being a meaningful amount to cover the various expenses incurred through working from utilising technology at home.

The Trade Union Side believes that all councils must have a policy in place and that it should include:

- **Introduction of a use of technology allowance for all staff who are required to use home energy.**
- **A national agreement on use of technology, setting out a policy that all authorities must use as a minimum.**

¹⁹ <https://assets.gov.ie/240282/c33fa0c4-7542-41c6-9116-f9a570c29db3.pdf>

CONCLUSION

The trade union side are clear that the JNC Red Book pay cannot be allowed to fall further in relation to the market rates being paid across construction trades and other sectors of the economy. Should this trend continue, local government employers will find themselves in a battle just to attract workers.

Paying local government staff, a proper wage is an investment – not just in the workforce but also in the local services they provide and the local economies they support.

The trade union side recognises that this requires adequate financial resources from central government and resources provided that respects the role of local government in our communities in service provision and establishing positive community outcomes. Only targeted funding can solve this problem – not attacks on pay and terms and conditions.

We believe our claim is fair and appropriate – and that it would mark a significant step in compensating local government workers for the loss of value in their pay. It would also provide recognition for a workforce that has remained dedicated, hard-working, and resolute - despite the multitude of challenges and crises they have overcome in recent years.