

**Joint Negotiating Committee for Local
Authority**

Craft and Associated Employees

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**Joint Negotiating Committee for Local Authority Craft and Associated
Employees: Trade Union side pay claim 2020**

October 2019

1. INTRODUCTION

The Red Book agreement provides an important framework for regulating the pay, terms and conditions of a key section of Local Government workers and TUPE transferred staff.

The craft trade unions are unanimous in our defence of the JNC agreement as the national agreement that applies to the unique working environment of craft workers. These workers undertake skilled work, which is both physically demanding and carries a high safety risk, therefore requiring a unique collective negotiating structure.

For the agreement to continue to be effective and relevant, however, both remuneration and terms and conditions need to be comparable with other collective industry agreements. If rates of pay continue to lag behind those paid to similarly skilled tradespeople in the private sector, this will undermine Local Government's ability to undertake high quality craft work.

Low pay rates affect recruitment and retention, contribute to skills shortages and create problems with staff morale and productivity.

Due to a decade of low pay awards workers covered by the JNC have seen their pay rates fall by around 22% since 2010. This situation cannot continue.

For these reasons the joint trade unions are submitting the following claim:

- **A 10% pay rise for all Craft JNC employees (regardless of job title and designation) whose rate of pay is higher than the minimum salaries set out in the Craft JNC 2018-20 pay agreement circular (dated 10 April 2018), but is still contractually linked to the annual settlement reached by the Craft JNC.**
- **The uprating of the minimum rates for Craft workers employed directly on JNC grades, benchmarked against average Craft pay rates within local authorities, and industry level collective agreements.**
- **A one day increase to all paid annual leave entitlement set out in the Red Book**
- **A two hour reduction in the standard working week as set out in the Red Book**
- **A comprehensive joint national review of the workplace causes of stress and mental health throughout local authorities**
- **A significant increase in tool allowance and insurance payments**
- **Commitment to the continuation of the Red Book agreement**

2. CONTEXT OF OUR CLAIM

Within this years 'Workforce Focus'¹ report the LGA recognised that: *'Local government needs a suitably skilled, well-motivated and engaged workforce that meets the changing needs of its residents to continue its work through challenging times.'*

Paying staff properly and investing in career development will help deal with recruitment and retention issues and deliver improved public services and better outcomes for service users.

We understand that councils across the country are having to make difficult decisions on a daily basis, trying to balance budgets during a time when funding has been slashed. Local government has endured central government funding cuts of nearly 50% since 2010. Between 2010 and 2020, councils will have lost 60p out of every £1 they have received from central government.

The 2019 LGA survey of council finances found that 1 in 3 councils fear they will run out of funding to provide even their statutory, legal duties by 2022/23. This number rises to almost two thirds of councils by 2024/2025 or later. The LGA estimates councils will face a funding gap of £8 billion by 2025.

Responsibility has to lie with the government over their failure to provide adequate funding for councils and the communities that they provide for. Funding for this pay rise must come from central government, and we recognise that central government has made significant local government revenue funding cuts that were specifically linked to its pay cap policy in previous years.² Having claimed that austerity is over and that the pay cap policy has been lifted, we believe that Ministers have a moral obligation to increase funding to local government, including in connection with pay.

However, the Comprehensive Spending Review has now been delayed until 2020 due to Brexit uncertainty. In previous years the LGA has said it would wait to see what settlement it would get. In the political climate, which is unlikely to settle down in the near future, it would not make sense to wait and we urge our employers to meet our claim as soon as possible.

All political parties now agree public services need greater investment. Among the general public, two in three now want the government to increase spending on public services (Ipsos MORI poll, October 2018). But even with public opinion clearly turning against austerity, the so called 'end of austerity' must mean more than just words.

¹ <https://www.local.gov.uk/workforce-focus>

² See HM Treasury Written Ministerial Statement on RDEL Revisions, 08 December 2011 <https://hansard.parliament.uk/Commons/2011-12-08/debates/11120856000020/RDELRevisions>; and the Treasury's later statement to GMB that in the 2013 and 2015 Comprehensive Spending Review the assumption that pay awards would be limited to 1% 'was included in these departmental allocations at the outset' <https://static1.squarespace.com/static/58b828f44402436b74624b8a/t/59b6af5d2278e7557ed6c1c1/1505144781989/PAY+PINCH+REPORT+2+-+FINAL+SPREADS.pdf>

3. ECONOMIC BACKGROUND

3.1. Inflation rates compared to Craft JNC pay increases

The global financial crisis was not caused by local government building workers. The Trade Union Side refuses to accept that, more than a decade on from the banking crash, our members should continue to pay the price.

We appreciate the fact that the last two year pay settlement did deliver above-inflation pay rises for low paid workers. However, that settlement only recovered limited ground compared to the sharp real-terms cuts to pay experienced by the local government workforce since 2009.

Historically, periods of wage constraints have been followed by periods of ‘catch-up’ in line with their trend level in subsequent years.³ The alternative is a permanent devaluation of wages in local government.

Price changes to commodities that make up the RPI over the year to August 2019 are shown in the table below:

Table 1: RPI figures by division

Item	Average % increase to August 2019
Travel and leisure	3.0
Alcohol and tobacco	2.9
Housing and household expenditure	2.3
Personal expenditure	3.5
Consumer durables	2.7
Food and catering	2.3
All goods	2.0
All services	3.7
All items	2.6

Source: Office for National Statistics, Consumer Price Inflation Reference Tables, September 2019

Within these figures, some costs are rising significantly faster, such as electricity bills at 9.3%, gas bills at 3.2%, water and other charges 3.1%, Fares and other travel costs at 6.4%, council tax and rates at 4.7%, clothing and footwear at 4.9% and telephone services at 4.4%.

The price of housing also remains one of the biggest issues facing employees and their families. Across the UK, house prices rose by 1.4% in the year to March 2019 alone⁴ and have risen 37% between 2010 and 2018 (see table 3 below). The average house price in

³ Monitor, Closing the NHS funding gap: how to get better value health care for patients, 09 October 2013, page 3 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284044/ClosingTheGap091013.pdf

⁴ UK House Price Index, March 2019 <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/march2019#strongest-english-growth-in-the-north-of-england-and-midlands>

England and Wales is now £302,122⁵. Northern Ireland experienced the biggest increase at 3.5%⁶, followed by Scotland at 3.3%⁷, Wales at 3%⁵ and England at 1.1%.⁵

Transport costs have risen significantly above reported inflation (measured against both the RPI and the CPI). On average, local bus fares have risen by an estimated 37% in England and by an estimated 31% in Wales since 2010, as measured by the Department for Transport’s own index (estimates are higher when long distance services are included – please see below).⁸ Regulated rail fares (a category which includes almost all commuter costs) have risen by an average of 36% over the same period.⁹

Average private rents have risen by £1,900 a year compared to 2010¹⁰ significantly outstripping wages and inflation with the national cost of renting from a private landlord having risen to a record high of £51.6bn from just £20.3bn in 2006¹¹. Private rental prices have not grown as quickly as housing costs overall, but the average monthly rent for new tenancies in the UK nonetheless picked up 2% over the last year to reach £936.

Though not specifically included in inflation measures, childcare costs represent a key area of expenditure for many staff (42% of local government workers have at least one dependent child in their household)¹². Therefore, it is also worth noting that the annual Family & Childcare Trust survey for 2019 found that the cost of a nursery place for a two-year-old has risen by 4% since last year, with the annual cost of 25 hours care per week hitting £6,465.

Current inflation rates can mask longer term changes in the cost of living that have taken place since 2010. The examples below show major increases in core costs that have surpassed average prices increases over the period.

Table 2: Examples of core price rises

Expenditure item	House prices	Bus & coach fares	Electricity	Childcare
Price rise 2010 -18	37%	51%	48%	32%

⁵ England and Wales House Price Index, April 2019 https://sl-assets.s3.amazonaws.com/islps/uploads/media_file/EW-House-Price-Index-April-2019.pdf

⁶ Northern Ireland House Price Index, Q1 2019 http://www.ninis2.nisra.gov.uk/InteractiveMaps/People_and_Places/Housing_and_Households/NIHPI/atlas.html

⁷ Scotland House Price Index, March 2019 https://sl-assets.s3.amazonaws.com/islps/uploads/media_file/YM-SCOT-House-Price-Index-May-2019.pdf

⁸ Department for Transport, Local bus fares index by metropolitan area status and country: Great Britain, updated 20 June 2019 <https://www.gov.uk/government/statistical-data-sets/bus04-costs-fares-and-revenue>

⁹ GMB calculations based on regulated fare cap figures recorded in Table A5 of the House of Commons Library Briefing Paper, Railways: fares statistics, 30 November 2018 <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06384>

¹⁰ English Housing Survey 2017 to 2018: headline report, MHCLG, 31 January 2019, <https://www.gov.uk/government/statistics/english-housing-survey-2017-to-2018-headline-report>

¹¹ <https://inews.co.uk/opinion/spiralling-rents-show-housing-market-crisis-can-fixed-radical-action/>

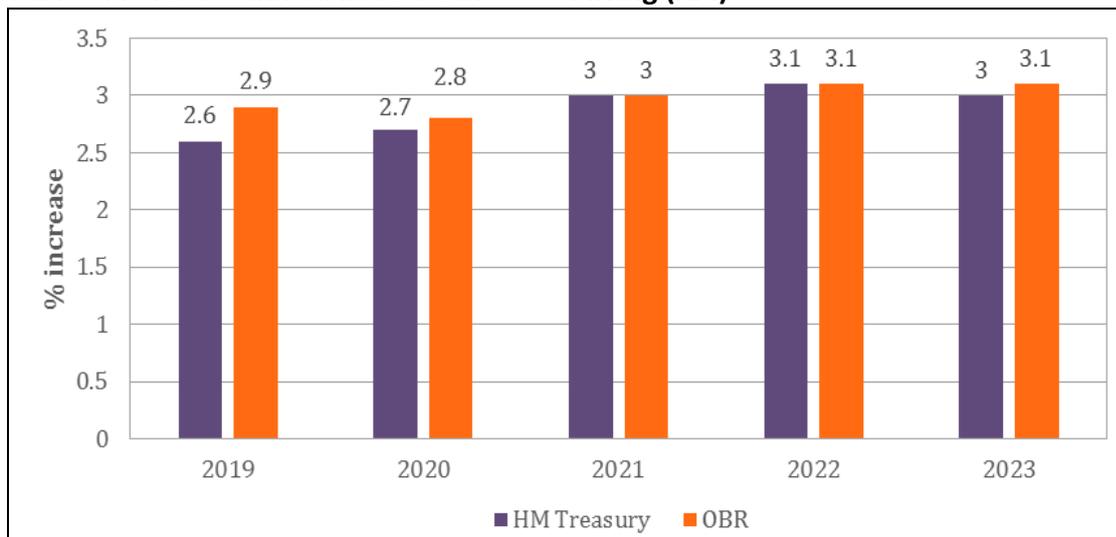
¹² GMB analysis of Quarter One 2019 Labour Force Survey data.

3.2. Inflation forecasts

The Treasury average of independent forecasts and the OBR's last forecast state that RPI inflation will average 2.7% and 2.8% respectively over 2020. It will then run at 3% or above every year until 2023, following the pattern shown in table 4 below.

These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value.

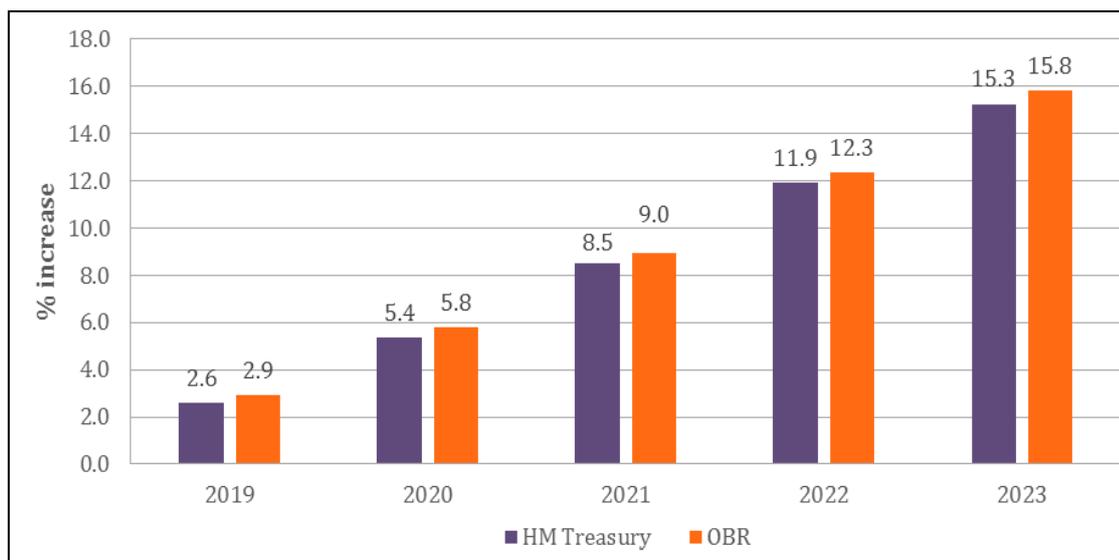
Table 3: Forecast annual increase in cost of living (RPI)



Source: HM Treasury, *Forecasts for the UK Economy May 2019* and OBR, *Economic and Fiscal Outlook, March 2019*

If these rates turn out to be correct, the cost of living the JNC Craft workforce faces will have grown by over 15% between 2019 and 2023, following the pattern set out in table 5 below:

Table 4: Forecast cumulative increase in cost of living



Source: HM Treasury, *Forecasts for the UK Economy May 2019* and OBR, *Economic and Fiscal Outlook, March 2019*

The Trade Union Side feels that our claim is a relatively modest start to the process of reversing the significant real cuts in pay Craft JNC workers have experienced.

3.3. Average pay settlements

Pay settlements in the private sector have been running far in advance of the public sector since 2010. While the pay freeze was in place across the public sector, the private sector saw average rises of around 2.5%, and the private sector continued to outpace the public sector by at least double the public sector rate during the ensuing period of the 1% pay cap.

Since 2018, the gap has been closing and table 2 below shows the latest average settlements across a variety of sectors:

Table 5: Latest pay settlements from LRD pay line

	For the three months up to and including:												This pay round, Aug-May
	2018						2019						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
All agreements	2.7	2.0	2.1	2.0	3.4	3.5	2.8	2.8	2.8	2.8	2.8	2.8	2.7
Private sector	2.8	2.7	2.7	3.0	3.4	3.4	2.8	2.8	2.8	2.7	2.8	2.8	2.8
Public sector	2.2	1.0	1.5	1.5	3.5	3.5	2.3	2.5	2.5	3.0	3.0	3.0	2.0
Manual	2.8	2.8	2.8	3.3	3.5	3.5	2.9	2.9	2.9	2.7	2.8	2.8	2.9
Non-manual	2.5	1.8	2.0	2.0	3.3	3.3	2.8	2.8	2.8	2.7	2.7	2.7	2.5
All industries	3.0	3.0	3.0	3.0	3.0	2.8	2.7	2.6	2.7	2.8	2.9	2.8	2.8
All services	2.6	1.8	2.0	2.0	3.5	3.5	3.0	3.0	3.0	2.8	2.8	2.8	2.5

Source: LRD Workplace Report, July 2019

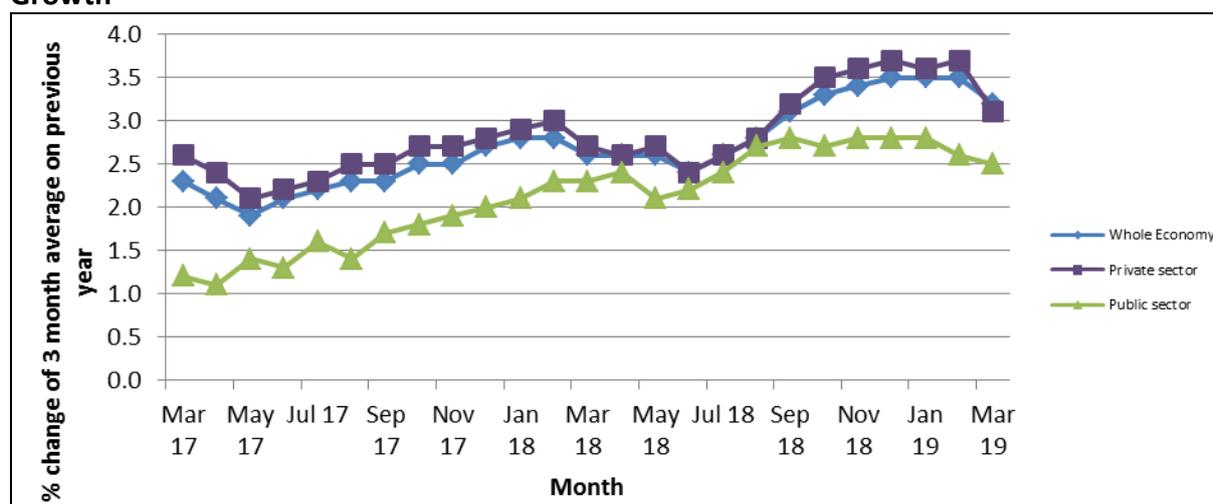
3.4. Average earnings growth

Table 3 below shows trends in average earnings growth over the last two years. The acceleration of the general rate to 3.5% by the end of 2018 and into early 2019 took average earnings growth to its highest level in over a decade.

As in the case of pay settlements, a gap between public and private rates has been a sustained feature of the economy, reflected in the fact that there have only been two months in the entire period since April 2013 when private sector earnings growth has not been running ahead of the public sector.

The end of the public sector pay cap saw the gap narrowing, though it has reasserted itself over recent months, with private sector earnings now rising at 3.2% compared to 2.5% in the public sector.

Table 6: Average Earnings Growth



Source: Office for National Statistics, Labour Market Overview UK, May 2019

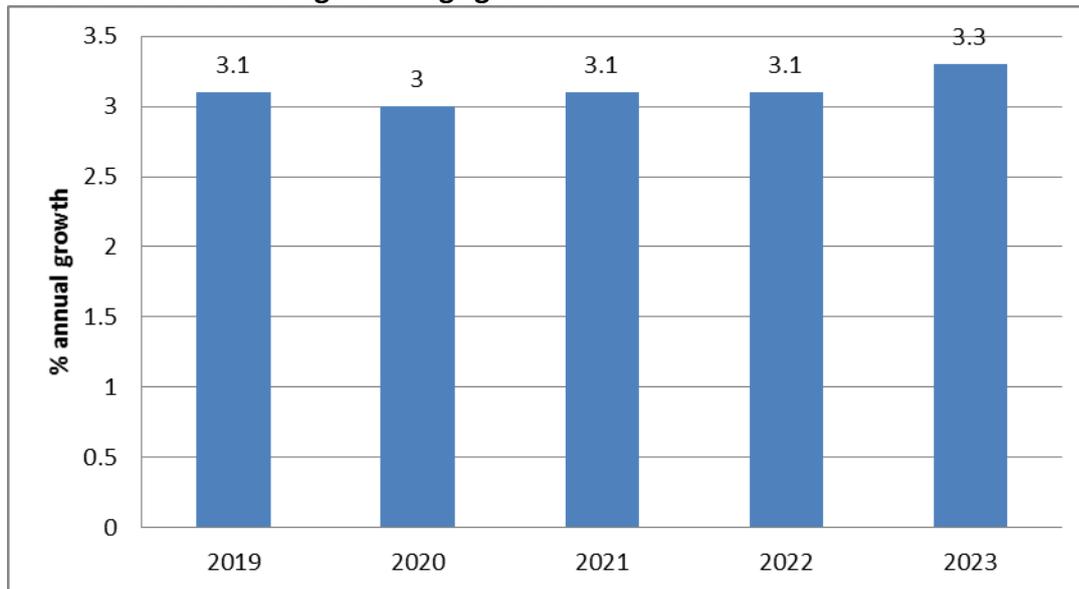
Table 7: Average weekly earnings broken down by sector (seasonally adjusted)

July 2019	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month average	Single month	3 month average
Whole economy	4.2	4.0	3.7	3.8
Private sector	4.2	4.1	3.8	3.9
Public sector	3.7	3.7	3.2	3.5
Public Sector excluding financial services	3.7	3.7	3.3	3.5
Services	4.4	4.2	3.8	4.0
Finance and business services	5.3	5.3	4.4	4.6
Manufacturing	2.0	2.4	2.3	2.4
Construction	7.0	6.2	5.5	5.3
Wholesale, retailing, hotels & restaurants	2.9	2.8	3.1	3.2

Source: ONS UK Labour Market Statistical Bulletin, September 2019

Forecasts of average earnings predict that growth will average 3% in 2020 and then run in excess of 3% over the following three years, as per the pattern below.

Table 8: Forecast average earnings growth



Source: HM Treasury, *Forecasts for the UK Economy May 2019* and OBR, *Economic and Fiscal Outlook, March 2019*

In other words, a significant above inflation pay rise is required to address local government workers' fall in living standards since 2010 and to avoid suffering damage to recruitment and retention.

4. JNC CRAFT PAY - A FAIR AND DECENT PAY RISE

The key factor 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. Unfortunately, this has not been the case.

The punitive public sector pay cap and rapidly rising inflation has had a deep impact on workers standard of living in local authorities. Many workers on Red Book rates have suffered a real terms loss of earning of 22% on the 2009/10 rates. Cumulatively that means that those workers have missed out on thousands of pounds in their pocket. For workers on higher rates pegged to the Red Book the figures would be even higher.

For too many years JNC pay rates have been left to wither on the vine and for many councils they have become far removed from the reality of craft rates of pay. The Trade Union side recognises that in many local authorities craft pay is now set through locally agreed pay rates and in all cases that the Trade Union side are aware of these are significantly higher than the rates within the Red Book.

According to analysis from Unite the lowest rate for craft pay ranges from £3,000 to £9,000 higher than the Building Labourer rate, while the Engineering and Electrician rate are in some cases between £15,000 and £20,000 higher.

It is clear then that the current minimum rates within the agreement need to be substantially refreshed to make them meaningful to craft workers within local authorities.

4.1. JNC pay rates and low pay

Across the political spectrum there is growing consensus for the need for a £10 an hour minimum wage as a common sense solution to the unsustainable problem of topping up low pay via tax credits - a cost to the Treasury that has now ballooned to £30bn a year.

Since May 2018, Labour Party policy has been to establish £10 an hour as the minimum wage for all workers, regardless of age. The Conservative Party has made it plain that it is considering setting two-thirds of average earnings as the next target for the National Minimum Wage, with a recent pledge to rise it to £10.50 in the next 5 years.

There is also good reason to call on the Government to fund a local authority pay rise. Analysis by the IPPR, found that 43% of the cost of raising public sector pay would be returned to the Treasury through taxation and lower social security costs.¹³

The current rates within the JNC all amount to significantly less than £10 an hour. The union side believe that Craft pay rates must be set significantly higher than the statutory wage floor for unskilled roles.

Table 9: JNC pay rates

JNC Grades	Hourly pay rate 2019	Weekly pay rate 2019	Annual pay rate 2019
1 Building Labourer	£9.18	£339.66	£17,711
2 Heating & Ventilation Mate	£9.36	£346.45	£18,065
3 Building Craft Operative	£9.36	£346.45	£18,065
4 Plumber	£9.55	£353.37	£18,426
5 Engineer & Electrician	£9.74	£360.45	£18,795

4.2. Comparing to Construction Industry rates

The JNC Craft agreement rates of pay also do not compare well with those in the construction industry. For example, in the Construction Industry Joint Council (CIJC) their minimum hourly rate for craft workers is currently £12.67 per hour while in the major electrical and mechanical agreement, the Joint Industry Board (JIB), the minimum rate for an approved electrician is £16.77 per hour with overtime rates at time and a half and double time. The recently negotiated rate of pay for the plumbing trade sees the basic rate of pay for a plumber/gas fitter increase to £13.29 per hour in January 2019. Each of these rates place the JNC rates into perspective amounting to between 55% and 65% of the industry craft agreement minimum rates.

The rates of pay across the major agreements in the sector have included recent pay rises far in excess of those agreed in the JNC over recent settlements. The CIJC rose by 2.9% in June 2019, and the JPMES rate is increasing by 8.45% to between 2018 and 2020, with the

¹³ IPPR, Uncapped Potential: The Fiscal and Economic Impact of Lifting the Public Sector Pay Cap, November 2017, <https://www.ippr.org/files/2017-11/uncapped-potential-november2017.pdf>

JIB rate rising by 8.25% over the same period. Any analysis of these rates clearly illustrates that the JNC agreement reflects the lowest level of pay for construction tradespersons in the UK.

The JNC rates already lag behind the wider industrial rates paid in the sector. This is set to worsen with the already widely known sector skills shortage being influenced by Brexit looming with the very real potential to limit the pool of workers that is available to the wider construction sector (the construction sector is more reliant on EU nationals' labour than the average for all industries).¹⁴ In addition, an increased focus on the housebuilding sector across the UK and the ability of local authorities to be involved in alleviating the housing crisis will further exacerbate the shortage of craft persons available.

If we consider this alongside the historic failure of the construction industry sector to train a sufficient level of apprenticeships across the whole of the UK, including all areas of the construction and built environment, both public and private, the damaging spectre of recruitment and retention problems for Local Government building departments become easily identifiable.

The trade union side demands that employers commit to valuing the very resource that supports the success of the authorities in providing valuable public services. The attraction of workers to enter into the skilled trades in local government will be pressurised further should rates continue to weaken against the growing influence of the construction sector which will be further boosted by investment in major capital projects, such as HS2, and Hinkley.

The UK government is placing a real strategic interest in the sector shown by the recent sector deal announcement as part of the UK Industrial Strategy and it is vital that this years' negotiations see a substantial increase in skilled workers pay to prevent any skills shortage arising. This would enable local government to continue to deliver and increase new build housing alongside repairs and maintenance services. Any negotiated settlement must take into account the need for parity with workers in similar occupations within the industry and recognise that JNC rates are the lowest in the sector.

The Trade Union side is therefore seeking a fair pay increase that recognises that the last settlement only began to remedy the years of financial hardship suffered by building workers post financial crisis.

The offer should also ensure no widening of the differential between Craft, General Operative and Apprentices. The offer needs to far exceed recent settlements, catch up with other industrial agreements, and recognise that the industrial success of companies depends on attracting high quality workers. Any offer also needs to recognise the financial

¹⁴ See ONS, One and three digit industry data, UK, 2018, data produced in response to a user request submitted by GMB, 01 May 2019

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhoc/s/009906oneandthreedigitindustrydatauk2018>

hardship suffered by Local Government craft workers as a result of the pay freeze and pay restraint over the previous decade referenced earlier in this document.

The Trade Union side is therefore seeking:

- **A 10% pay rise for all Craft JNC employees (regardless of job title and designation) whose rate of pay is higher than the minimum salaries set out in the Craft JNC 2018-20 pay agreement circular (dated 10 April 2018), but is still contractually linked to the annual settlement reached by the Craft JNC.**
- **The uprating of the minimum rates for Craft workers employed directly on JNC grades, benchmarked against average Craft pay rates within local authorities, and industry level collective agreements.**

5. RED BOOK TERMS AND CONDITIONS

5.1. Pay related conditions

Union members report attacks on overtime, allowances, standby payments, annual leave, sick pay and weekend working, while many have mentioned that their roles have been downgraded through restructuring and many employers have continued to use unpaid shut down days over Christmas or other public holidays.

Unite's recent survey highlighted examples of standby payments frozen for many years with members not receiving any increases alongside the annual pay award. Unite members have reported standby payments frozen for between 6 and 10 years in some places. There are even reports of management avoiding paying standby altogether.

5.2. Sickness, stress and absences

The UK is suffering from an epidemic of stress and anxiety. Work-related stress, depression, and anxiety now account for 57% of all sick days¹⁵. 15.4 million working days were lost due to work-related stress, depression or anxiety in 2017/18. One in four sick days in the UK is the result of workload¹⁶ – the biggest single cause of sick leave by some distance.

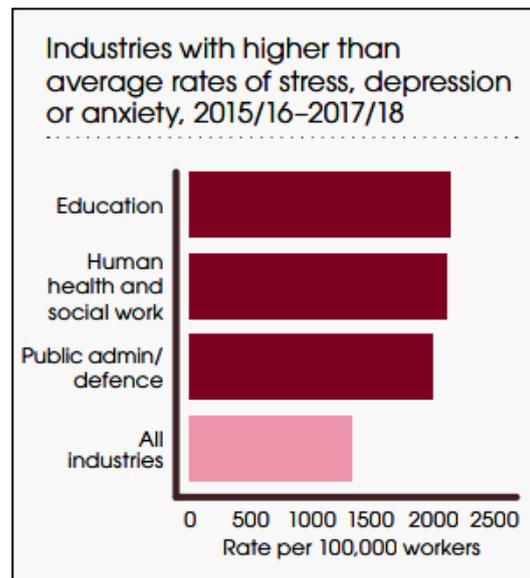
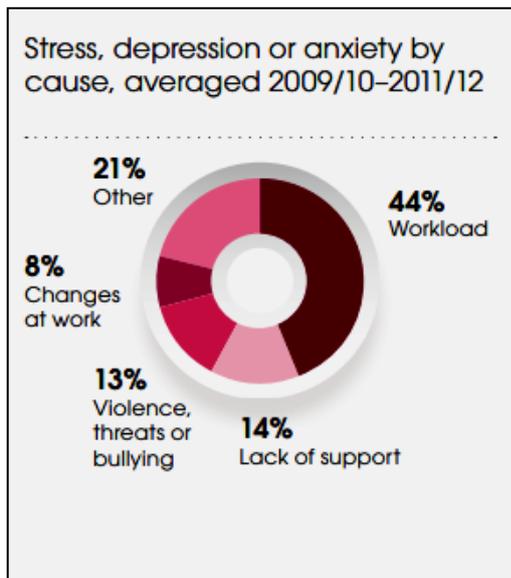
Analysis by the Health and Safety Executive (HSE) of Labour Force Survey statistics shows that this is an acute issue within local authority services with human health and social work, public administration and education all accounting for the highest levels of average rates of stress, depression or anxiety.¹⁷

¹⁵http://www.hse.gov.uk/statistics/causdis/stress.pdf?utm_source=govdelivery&utm_medium=email&utm_campaign=digest-8-nov-18&utm_term=report&utm_content=stress-stats

¹⁶http://www.hse.gov.uk/statistics/causdis/stress.pdf?utm_source=govdelivery&utm_medium=email&utm_campaign=digest-8-nov-18&utm_term=report&utm_content=stress-stats

¹⁷ <http://www.hse.gov.uk/statistics/overall/hssh1718.pdf>

Table 10: Stress, depression or anxiety



Source: ONS Labour force survey

This is recognised in union surveys, for example in the recent Unite survey 75% of members reported experiencing work-related stress in the last 12 months, and 61% said that stress was one of issues they were most concerned about at work (second only to pay).

64% of respondents to GMB’s 2019/20 members’ survey said that they were stressed at work. Respondents who said they stressed a work further rated their stress levels at an average level of 6.5 out of ten. 5% of local government workers report that they were made ill by their work in the last year, above the average for other employees.¹⁸

Sickness absence levels can be seen as a proxy indicator for the wellbeing of staff and this has been recognised by the LGA in its Workforce Focus report¹⁹.

This highlights that:

- On average in 2016/17, 4.3% of days were lost due to sickness and 8.7 days per FTE employee.
- By comparison in 2015/16, 4.9% of days were lost due to sickness and 8.8 days per FTE employee.
- The earliest available comparable figures are for 2011/12 when on average 4.2% of days was lost, 8.4 days per FTE employee.
- The most common cause of sickness absence in 2016/17 was ‘stress, depression, anxiety, mental health and fatigue’ (28.9% of days lost).

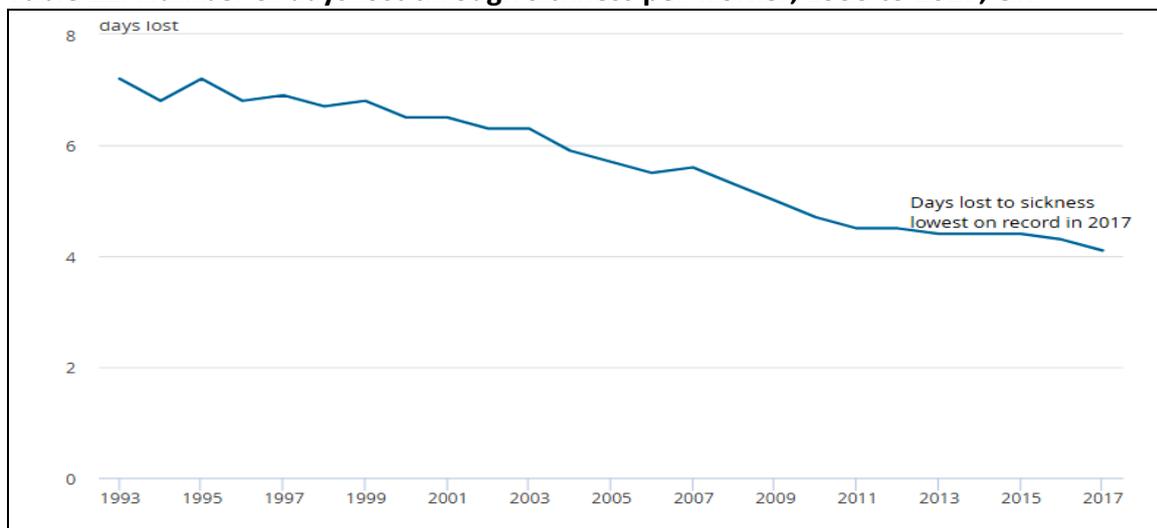
¹⁸ Compared to an average of 4.2% for all workers. GMB analysis of Quarter One 2019 Labour Force Survey data.

¹⁹ https://www.local.gov.uk/sites/default/files/documents/11%20170%20Workforce%20Focus_03_web.pdf

Across the whole economy, as a rough comparison the average number of days lost per FTE in 2018 across the whole economy was 4.1. This means that local authority sickness rates are over double those for the economy as a whole.

In contrast to local authority statistics, the Labour Force Survey shows that economy-wide sickness absence has broadly been falling over the last two decades.

Table 11: Number of days lost through sickness per worker, 1993 to 2017, UK



Source: Labour Force Survey person datasets, ONS

The 2017 *Stevenson / Farmer review of mental health and employers*²⁰ for the government found that the cost of poor mental health to Government is between £24 billion and £27 billion which includes the costs of providing benefits, falls in tax revenue and costs to the NHS. One of its core recommendations to employers is for them to “provide employees with good working conditions and ensure they have a healthy work life balance and opportunities for development”

The Trade Union Side therefore calls for a comprehensive joint national review of the workplace causes of stress and mental ill health throughout local authorities.

5.3. A culture of long hours

The negative impacts of long hours and high workloads are well documented. Long hours can lead to serious and long term mental and physical ill health, stress, fatigue and increases in workplace accidents²¹. For example researchers that studied²² the work habits of more than 600,000 people in the US, UK, and Australia, found that people who work more than 55 hours a week are 33% more likely to suffer a stroke and have a 13% greater risk of heart attack than those who work 35-40 hours weekly.

²⁰https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf

²¹ http://www.hse.gov.uk/research/hsl_pdf/2003/hsl03-02.pdf

²² [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(15\)60295-1/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(15)60295-1/fulltext)

Research also shows the impact that long hours can have in decreasing productivity within organisations²³, lowering morale and leading to increased staff turnover²⁴.

In contrast studies have found that reducing working time and taking holidays is extremely good for morale and health - it can even prolong lives²⁵. Researchers who studied 974 vacationers from the Netherlands discovered that even planning for a holiday makes people happier before they go²⁶. Researchers have also shown that more time off improves productivity and is therefore good for employers and the economy as a whole.²⁷

Reducing working time has wider societal benefits too. It give staff more time to contribute to society, supporting family and friends, volunteering or getting more involved in the wider community or politics. The New Economics Foundation (NEF)²⁸ has pointed to studies that show that reducing working time is also better for the environment²⁹ and good for gender equality given women shoulder more than 60% of unpaid work³⁰.

Working time practices and norms have not stayed static over time, and it is right that they should be reviewed and updated. NEF modelling has shown that UK working time has lagged behind long term national trends over recent years. If average hours had continued to fall at post-war levels after 1980, then the UK should be on target to reach a 30-hour working week by 2040³¹.

The Global Workforce Happiness Index³² that studies workplace wellbeing also found that the top ten countries make work-life balance a priority with employers enacting strategies to ensure their staff achieve this.

The economy is rapidly changing as is evidenced by a recent report from the ONS that illustrated the threats automation poses to workers³³, particularly women workers. Staff side unions believe that automation needs to deliver for ordinary people and that reducing working time without loss of pay is a crucial part of the necessary response to increased automation and digitalisation of the economy – an issue that the LGA and local authority employers have been actively exploring in recent years³⁴.

Yet union surveys highlight that 10 years of austerity is taking a huge toll on local authority staff with low pay settlements, expanding responsibilities and redundancies leading to increased workloads and a culture of long hours.

²³ <http://ftp.iza.org/dp8129.pdf>

²⁴ <https://www.employment-studies.co.uk/system/files/resources/files/352.pdf>

²⁵ https://www.eurekalert.org/pub_releases/2018-08/esoc-tav082318.php

²⁶ <https://link.springer.com/article/10.1007%2Fs11482-009-9091-9>

²⁷ <https://hbr.org/2015/06/are-we-more-productive-when-we-have-more-time-off>

²⁸ <https://neweconomics.org/2018/11/five-reasons-why-nef-supports-the-4-day-week-campaign>

²⁹ https://www.researchgate.net/publication/323366145_Working_hours_and_carbon_dioxide_emissions_in_the_United_States_2007-2013

³⁰ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/womenshouldertheresponsibilityofunpaidwork/2016-11-10>

³¹ <https://neweconomics.org/2019/03/average-weekly-hours-fell-faster-between-1946-and-1979-than-post-1980>

³² <https://universumglobal.com/insights/global-workforce-happiness-index-2/>

³³ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whichoccupationsareathighestriskofbeingautomated/2019-03-25>

³⁴ <https://www.local.gov.uk/our-support/workforce-and-hr-support/workforce-videos/working-digital-council-video>

Mass redundancies have inflicted misery on the workers who lost their jobs, and also on their families. It has also led to an explosion of pressure on the remaining workers who are constantly expected to do 'more with less.' Measures that were supposed to reduce the impact of cuts to funding and staffing levels have not delivered. A recent academic study found that the move to shared services did not cut the cost of delivery. It has however left many of our members with higher workloads, more complex duties, and longer commutes.

For example in Unite's recent all members' survey:

- 54% of members reported frequently or always working more than their contractual hours. That included nearly a quarter who "always" did, while a further 30% said that they did so "sometimes".
- 32% reported working more than 4 hours extra a week including 10% that worked more than 8 hours extra. A further 23% worked between 2 and 4 hours extra a week and 25% said that they regularly worked up to 2 hours extra a week.
- Only 17% of Unite members reported receiving overtime rates for these additional hours with 25% reporting that they were all completely unpaid.
- 75% of Unite members reporting experiencing work-related stress in the last 12 months.
- Over 50% of members rated morale in their workplaces as either "bad" or "terrible" as opposed to only 11% that thought it was "good" or "excellent".

A GMB study found that local government workers are significantly more likely to work unpaid overtime compared to those in other occupations.³⁵ An updated analysis, based on the latest available figures, produced similar results: 28% of local government workers normally work unpaid overtime, according to the Labour Force Survey, compared to 15% of all employees. The average local government worker who worked unpaid overtime contributed an additional 6.2 hours per week.³⁶

It should be noted that even these figures may represent an underestimate. GMB asked NJC workers in its 2019/20 members' survey if they regularly worked unpaid overtime: nearly half (48%) said that they did. The NHS Staff Survey also reports higher rates of unpaid overtime working than the Labour Force Survey.

Unpaid overtime is being worked on an industrial scale. It represents an enormous goodwill contribution by a workforce that is approaching its breaking point. The Trade Union Side strongly believes that workers should be paid for all the hours they work. If full-time local government workers who regularly work unpaid overtime were remunerated for their additional hours, they would be due an immediate pay rise of 25%.³⁷

³⁵ Civil Service World, Civil servants 'work more unpaid overtime than private sector staff,' 25 July 2017 <https://www.civilserviceworld.com/articles/news/civil-servants-%E2%80%98work-more-unpaid-overtime-private-sector-staff%E2%80%99>

³⁶ GMB analysis of Quarter One 2019 Labour Force Survey data.

³⁷ Illustrative calculation based on a local government worker who works 37 paid hours per week and 6.2 additional unpaid hours, compared to if those additional hours had been paid on time and a half.

The Trade Union Side is therefore seeking:

- **A one day increase to the minimum paid annual leave entitlement set out in the Red Book**

The Trade Union side is seeking an increase of 1 annual leave day to the current holiday entitlement. It is proposed by the trade union side that this be taken to coincide with International Workers' Memorial Day on 28th April, or the closest Monday if the 28th falls on a Saturday or Sunday. This would enable local authority craft workers to pay tribute to the many workers across the construction sector that have lost their lives in the course of their daily duties.

- **A two hour reduction in the standard working week set out in Green Book with no loss of pay**

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, without detriment. 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.

By supporting a reduction in working hours in the JNC Craft agreement employers would be supporting a model of working that promotes a work-life balance, comprising the following elements:

- commitment to improving the organisation of work by each level of management, from supervisor to chief executive, union representatives and all grades of staff;
- understanding what the concepts of productivity and profitability, job security, job satisfaction and working time mean for management, unions and workforce;
- trust, which is built by working in partnership to identify and solve problems jointly;
- representation from all groups of staff who will be affected;
- involvement, through the widest possible consultation, so that staff have the opportunity to contribute to solutions;
- listening to aspirations and expectations;
- considering ideas seriously – recognising that every idea, including the ones you don't like, needs to be examined;
- transparency, by keeping staff fully informed;
- testing solutions – it is usually best to test new practices through a voluntary pilot study during which employees can revert to existing terms and conditions if they wish;
- action on possible solutions rather than shelving the issue until it is too late;
- Instilling confidence in a positive outcome.

5.4. Exit payments

The Trade Union Side is also extremely concerned about the planned attack on our members' terms and conditions in the form of the Treasury's proposal to cap exit payments at £95,000. If implemented, the Treasury's flawed regulations will have a particular negative effect on local government workers due to its inclusion of strain costs in the cap's calculations. As the LGA has calculated, a long-serving female member of the Local

Government Pension Scheme who earns £23,500 a year and is made redundant above the age of 54 could be capped.

The effects of the cap will be on low to middle paid workers will be multiplied with each year that passes due to the non-inclusion of an index link to a £95,000 figure that has not changed since 2015. The proposed cap in 2019 is already effectively worth £85,000 compared to its value in 2015.

Table 12: Forecast real value of the unindexed cap (£000s)³⁸

	2015	2016	2017	2018	2019	2020	2021	2022	2023
RPI	95	93.3	90.1	87.2	84.7	82.4	80.0	77.6	75.3
CPI	95	94.3	91.9	89.6	87.8	86.1	84.5	82.8	81.2

If pensions are a form of deferred pay then it is likely that implementation of the cap will give rise to demands for higher uplifts to regular pay and allowances in the future.

In the view of the Trade Union Side, this planned central government interference – which rides roughshod through past collective agreements – makes a mockery of Ministers’ claims that they play no role in the setting of local government workers pay and terms and conditions. Consequently, in our view, the fact that the draft regulations have been brought forward strengthens the case for the provision of additional central funding to help meet the costs of this claim.

In addition, we believe that the Government's continued 'pause' in the redistribution of excess monies generated by the cost cap mechanism in the Local Government Pension Scheme in the wake of the McCloud judgement undermines government assurances and collective bargaining principles, and represents a further blow to the real take home pay of our members in local government. We further believe that the 'pause' is further evidence that Ministers continue to play an active role in the setting of pay and terms and conditions in local government.³⁹

5.5. Job losses

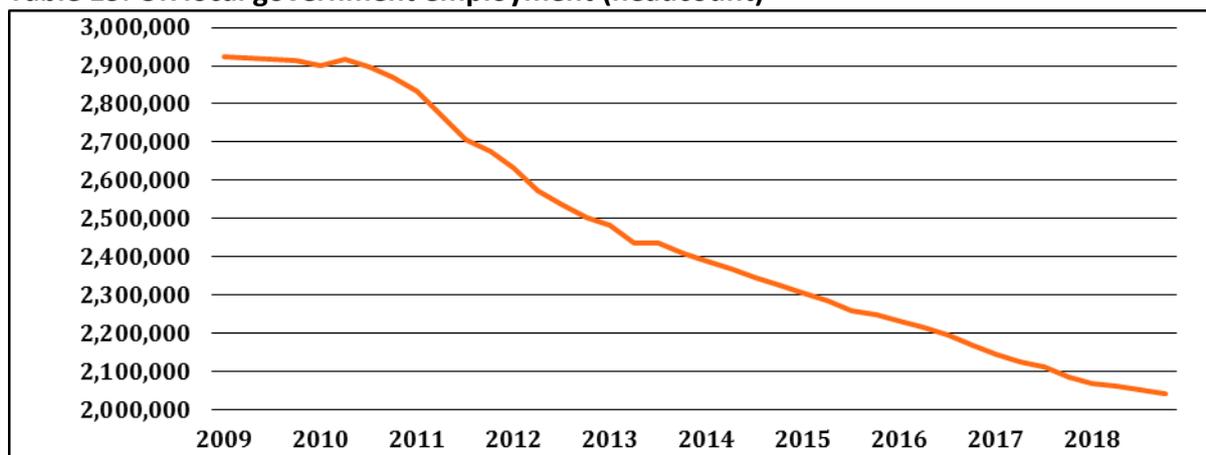
Across the UK, an estimated 876,000 jobs have been lost in local government since June 2010 – a reduction of 30%. Local government has arguably been hit by more severe job losses than any other part of the public sector. But conversely, there has been no decrease in the statutory functions of local authorities - with many of these services seeing a significant increase in demand over the same period (children’s services, adult social care services and homelessness support). In addition, redundancy payments have cost councils an estimated £4 billion in England alone.⁴⁰

³⁸ <https://www.gmb.org.uk/sites/default/files/exit-cap-consultation-response.pdf>

³⁹ For more information see: <https://www.gmb.org.uk/news/court-ruling-means-government-should-pay-24-billion-back-public-sector-workers>

⁴⁰ The Guardian, Redundancies have cost English councils £4bn since 2010 – study, 13 September 2018 <https://www.theguardian.com/society/2018/sep/13/councils-in-england-spend-4bn-on-220000-redundancies-since-2010>

Table 13: UK local government employment (headcount)⁴¹



This loss of staffing, budgets and increased demand means that local services are suffering. For those staff who remain (predominantly women), this has increased workloads, pressure and stress - all against the backdrop of ever shrinking real-terms pay.

With considerably fewer workers to provide local services, local government staff deserve a pay rise that reflects the massive increase in their productivity. Those workers left behind are attempting to pick up the workloads of former colleagues, as well as do their own work on declining pay and conditions.

5.6. Recruitment and retention

Recruitment and retention is a key priority for councils. As of 2017/18, 78% of councils are experiencing recruitment and retention difficulties, with 10% feeling forced to enact a recruitment freeze at some point during 2017/18 (LGA workforce survey 2017/18). This issue is particularly acute for a variety of professional and specialist roles, including social work, planning and building control.

Successive workforce surveys conducted by the LGA make it apparent that pressures are rising. Although there are discontinuities in the data series, it is clear that the trend is towards pressures returning to or even exceeding pre-crash levels.

Local authorities' reported average vacancy rate of 8% (rising to 9.5% for unitary authorities) is significantly higher than the averages for wider public sector and in the economy as a whole.

⁴¹ ONS, Public sector employment quarterly estimates, December 2018 data
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/datasets/publicsectoremploymentreferencetable>

Table 14: LGA reported recruitment and retention measures

[Note – the 2010/11 survey no longer appears to be online]

	Vacancy rate	Turnover rate	Councils experiencing recruitment difficulties
2008	-	12	83
2009	10	11	52
2011/12	4.5	13.1	-
2012/13	6.5	11.4	-
2013/14	8.2	11.9	74
2014/15	7	13	-
2015/16	5.4	13.2	71
2016/17	8.9	13.4	74
2017/18	8	13.4	78

Brexit is also having an impact on the labour market. Around half of councils have noticed a recent reduction in the number of EU/EEA nationals applying for posts or leaving the organisation. As employers across the economy are reporting a similar impact the labour market is likely to tighten and local government employers need to meet our claim to ensure that they remain competitive.

The growing and widespread use of agency workers to fill gaps comes at a hefty cost to the public purse - with council's already heavily dependent on temporary workers. During the last ten years, agency staff in some London boroughs have comprised up to a quarter of the total headcount.

With many local government workers approaching retirement, there is a genuine concern over how councils will attract the next generation of young council staff if pay remains low compared to similar jobs in the rest of the public or even in the private sector.

Meeting the Trade Union Side's pay claim this year will encourage workers to apply and remain in post. With the general unemployment rate in the UK economy at its lowest level in 44 years, employers reporting that they are experiencing the strongest growth in recruitment pressures since 2001,⁴² and vacancies escalating across the economy, competitive wages are becoming ever more crucial.

5.7. Tool allowances and tool insurance

Due to the increase in the cost of tools and as more craft workers are undertaking bolt-on skills, they need access to a wider range of tools. The Trade Union side is therefore calling for a significant increase in tool allowance so that it doubles from the current rate and properly reflects the prohibitive cost to building workers to replace tools on a like for like basis when required. Councils must realise that ensuring building workers have the correct tools to complete works supports the efficiency and productivity of the services provided.

⁴² Bank of England Agents' scores, recruitment difficulties measure.

Trade union members are reporting that both the wage levels currently paid and the allowances for tools is woefully inadequate and means that providing tools is done at the workers' expense. All craft workers should be eligible for a fair level of tool allowance and insurance and a consistent rate should be introduced for all including those occupations that are currently excluded, such as roofers and scaffolders. The trade union side is further calling for a tool insurance policy where all tools are replaced on a like for like basis.

6. CONTINUATION OF THE RED BOOK

The Trade Union side believes that maintaining the Red Book remains the only way to effectively guarantee that the vast number of employment matters, specific to local authority craft workers is addressed in a standardised manner within this specific context. Examples are: tool allowances, working at heights, payment for work in discomfort and inconvenience, abnormal working time, extra payments for continuous extra skill or responsibility and provisions for apprentices and young trainees.

The existence of a separate national agreement and pay and conditions bargaining arrangement for Craft and Associated Employees is due to the widely accepted view that it is the most efficient way to address the distinct employment conditions of these workers. As a consequence of this distinction, the 'comparators' for Craft and associated employees are similar workers in the private sector construction industry.

7. CONCLUSION

Local government craft workers face immense pressure – ever increasing workloads, deteriorating pay and conditions, and persistent job insecurity. Against the odds, they have delivered efficiency savings year-on-year, but we have reached the limit of what can be squeezed from an exhausted and demoralised workforce.

Paying local government staff properly makes economic sense. It is an investment in both local services and the local economy. It is also unsustainable to continue to subsidise employers who pay lower wages through income support measures such as tax credits.

The Trade Union Side believes our claim is just and fair. Craft workers should and must get the decent and fair pay rise that they need and deserve.

We expect the LGA to enter into meaningful negotiations with us on our claim. We are concerned that their engagement with us on collective bargaining has deteriorated in recent years and has not always been in keeping with Labour Relations (Public Service) Convention, 1978 (No.15). This convention promotes collective bargaining for public employees, as well as other methods allowing public employees' representatives to participate in the determination of their conditions of employment. It also provides that disputes shall be settled through negotiation between the parties or through independent and impartial machinery, such as mediation, conciliation and arbitration...'

INVESTING IN THE JNC CRAFT WORKFORCE IS MONEY WELL SPENT