



Joint Negotiating Committee for Local Authority Craft and Associated Employees

Trade Union side: Unite, GMB,

PAY CLAIM 2021-2022

Our members pay claim is:

- **A 10% increase across all pay rates and allowances**
- **An increase in Grade and recognition for craft operatives that regularly use additional skills to support employer business needs.**
- **A substantial increase in stand-by payments**
- **Reduction in the working week to 35hr with no loss of pay**
- **Extra day of annual leave entitlement**
- **Recognition of the increased use of technology supported by an additional payment**
- **Modernisation of tool allowance to accurately reflect the cost of tools provided by the worker – or all tools must be provided by the employer**
- **Increase in tool insurance to reflect the actual cost of replacing tools**
- **Maintenance of the Red Book Agreement**
- **Commitment to insourcing of work and implementation of the Construction Charter**

1. INTRODUCTION - IMPORTANCE OF THE RED BOOK

The Red Book agreement provides a crucial 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.

Unfortunately the agreement has been undermined by low pay rates and a failure by employers to meaningfully engage with modernisation. This affects 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 up to 25% since 2010. This situation cannot continue.

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 arrangements 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.

Trade Union side therefore are seeking to redress this with this claim which aims to maintain, modernise and refresh the national agreement.

2. CONTEXT OF OUR CLAIM

2.1. WORKING THROUGH THE PANDEMIC

Craft workers in local government have continued to support our communities during the Covid-19 crisis. They have provided an essential service to make homes habitable, continued

providing essential and emergency repairs and stepped up to provide the vital services that providers seek to deliver to tenants.

They are indeed key workers and should be treated as such by employers in response to their pay and conditions claim. On a daily basis, our members continue to put themselves into harm's way on the front lines of this crisis and it is just and right that their contribution to the national effort against Covid-19 is recognised.

The Covid-19 crisis has shown (once again) that our local authorities are an invaluable resource to the communities they serve. Local authority workers have been the unsung heroes of our communities for far too long and they deserve better pay and working conditions.

Following a decade of pay restraint, many staff working in local government have seen up to a quarter of the value of their pay wiped out through substantial increases in the cost of living. Morale of staff is also at an all-time low, with members feeling overworked, put at risk and undervalued.

Average pay settlements across the economy have been running ahead of those received by local government staff for a decade, increasing the likelihood of recruitment and retention problems in the long term – even when Covid-19 has been defeated.

There is a strong economic case for a pay rise for local authorities' workers. Based on the government's own figures it is clear that austerity is not the answer¹. The policy of austerity post 2010 was a dismal failure – in terms of both reducing debt and recovering economic growth. More austerity is the wrong answer and will be fiercely resisted by trade unions. In contrast, an increase in local government pay would reduce government expenditure on benefits, tax credits and Universal Credit – and increase revenue from National Insurance and income tax while also providing a much needed spending boost to local economies.

Only a significant and appropriate pay award can begin to redress a lost decade of cuts, austerity and crisis - and go some way towards recognising the value of local authority craft workers and rewarding their continued dedication to their jobs at this incredibly challenging time.

The Joint Unions believe that a 10% on pay and allowances for all craft workers will go some way to redressing the decade long loss of pay.

¹ NEF analysis (using OBR data), Feb 2019

3. RED BOOK PAY

3.1. 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.

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 the majority of 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.

Over this past decade, JNC staff have lost up to a quarter in the value of their pay when measured against the cost of living (RPI). Table 1 below demonstrates the major fall in living standards suffered by JNC staff since 2010. Our claim for a 10% pay increase only begins to recover some of this loss.

Table 1: JNC Pay Vs Rise in cost of living (RPI)

Year	JNC Pay Awards	Rise in cost of living ² (as measured by Retail Prices Index)
2010	0%	4.6%
2011	0%	5.2%
2012	0%	3.2%
2013	1%	3.0%
2014	2.20%	2.4%
2015		1.0%
2016	1%	1.8%
2017	1%	3.6%
2018	2%	3.3%
2019	2%	2.6%
2020	2.75%	1.5% (Treasury forecast)
Cumulative rise:	9%	32.2%

² Office for National Statistics, Consumer Price Inflation Reference Tables, January 2020

3.2. LOW PAY OF CRAFT WORKERS

Skilled craft workers in local government are underpaid for their skills. There is currently a wide disparity of salaries across local authorities in England and Wales. Research undertaken by the trade union side identifies that pay ranges from £21k in some of the least well paid authorities to upwards of £40k for craft workers in other better paid workplaces.

This is unacceptable means an urgent requirement to end the spectre of low the pay of craft workers in local authorities is long overdue. The trade union side believe that the national agreement must lead by example in understanding the requirement to remunerate skilled workers with fair pay, a logical first step towards that is responding positively to the trade union side demand for a 10% increase in pay.

The Real Living Wage (as calculated by the Living Wage Foundation) has become a standard benchmark for the minimum needed for low-paid staff to have a “basic but acceptable” standard of living.

Local Government is now competing in a labour market where the Living Wage of £9.50 an hour outside London and £10.85 an hour in London has become an increasingly common minimum point in many pay scales³. In 2019, JNC pay did briefly catch up with the Foundation Living Wage. However, as of April 2020 it has once again dropped below, with the Building Labourer rate now falling below the current Foundation Living Wage rate of £9.50.

Table 2: JNC pay rates

JNC Grades	Hourly pay rate 2020	Weekly pay rate 2020	Annual pay rate 2020
1 Building Labourer	£9.43	£349.00	£18,198
2 Heating & Ventilation Mate	£9.62	£355.98	£18,562
3 Building Craft Operative	£9.62	£355.98	£18,562
4 Plumber	£9.81	£363.10	£18,933
5 Engineer & Electrician	£10.01	£370.36	£18,312

There are now almost 7,000 employers accredited as Living Wage employers by the Living Wage Foundation, including some NJC local authorities (who choose to uplift the bottom NJC pay rates when calculating their local pay bands, in order to meet the Foundation rate).

If our claim was met in full, it would lift the Building Labour rate up to £10.37 per hour – not only meeting the Foundation rate but providing some head room for future increases (the Living Wage Foundation increase their rate annually – with the next rise due to be announced in autumn 2021).

The pay rise would also bring the other rates within the agreement above the £10 an hour minimum wage proposal that now has cross party support. It is shocking that a pay agreement supposedly

³ The Living Wage Foundation, 2020/21 rates, November 2020

setting pay rates for skilled construction roles has all its set at or below the widely supported £10 an hour minimum wage.

The Low Pay Commission has been tasked by the government in ensuring that the national living wage reaches two-thirds of median earnings by 2024. On current forecasts, that means a living wage of over £10.50 an hour by 2024⁴. Our estimate is that this means local government pay at the bottom end needs to rise by at least 13% over the next four NJC pay awards (2021, 2022, 2023 and 2024), or on average 3.25% a year merely to meet this legal minimum target – this is demonstrated for NJC SCPs 1-5 in the table below:

Table 3: Average JNC pay rises needed to meet two-thirds of median earnings by April 2024

	2021		2022		2023		2024	
	%	Hourly Salary						
1 Building Labourer	3.25%	£9.74	3.25%	£10.06	3.25%	£10.38	3.25%	£10.72
2 Heating & Ventilation Mate								
3 Building Craft Operative	3.25%	£9.93	3.25%	£10.26	3.25%	£10.59	3.25%	£10.93
4 Plumber	3.25%	£10.13	3.25%	£10.46	3.25%	£10.80	3.25%	£11.15
5 Engineer & Electrician	3.25%	£10.34	3.25%	£10.67	3.25%	£11.02	3.25%	£11.38

But this legal limit should be treated as a floor, not a target and certainly should not be the benchmark for skilled craft job roles.

If local government is to avoid becoming a ‘bargain basement, minimum wage’ employer, it must aspire to have bottom rates of pay that sit comfortably above this - rather than forever playing catchup with a legal duty. Sadly this has happened in the past and even led to the deletion of lower pay points just to avoid local government employers falling foul of minimum wage law.

3.3. COST OF LIVING

For the value of staff wages not to fall back even further, they must at least stay well ahead of predicted rises in the cost of living, which Treasury forecasts put at 1.5% in 2020 and 2.3% in 2021⁵.

Historically, periods of wage constraints have been followed by periods of ‘catch-up’. The alternative is a permanent devaluation of wages in local government. Against this backdrop, we believe that the Trade Union Side’s claim for a 10% increase on all pay points is both measured and reasonable.

⁴ Rishi Sunak, UK Government Budget, March 2020

⁵ HM Treasury, Forecasts for the UK Economy, November 2020

At this time of crisis, when we are more reliant on local government workers than ever, it cannot be right that in addition to the ongoing stress of their jobs, many are struggling with household bills and cost of living expenses. Even in the last year alone, the prices for everyday goods continue to rise as local government wages stagnate. Price changes to commodities that make up the RPI over the year to October 2020 are shown in the table below:

Table 4: Price changes to RPI commodities over the year to October 2020

Item	Average % increase to October 2020
Personal expenditure	4.3
Consumer durables	3.7
Alcohol and tobacco	1.7
Travel and leisure	1.5
Housing and household expenditure	0.9
Food and catering	0.8
All goods	1.1
All services	1.2
All items	1.3

Within these figures, some costs are rising significantly faster, such as bus and coach fares at 11.8%, council tax and rates at 3.9%, vehicle tax and insurance at 3.6%, telephone services at 3.4%, rail fares at 2.3% and rent at 2.2%.

The price of housing also remains one of the biggest issues facing employees and their families. Across the UK, house prices rose by 4.7% in the year to September 2021⁶, with England experiencing the biggest increase at 4.9%, followed by Scotland at 4.3%, Wales at 3.8% and Northern Ireland at 2.4%. Private rental prices have also seen a significant increase, taking the average monthly rent for new tenancies in the UK up 2.2% to £9742 in October 2020⁷.

Though not specifically assessed by CPI or RPI figures, childcare costs represent a key area of expenditure for many staff. Therefore, it is also worth noting that the annual Family & Childcare Trust survey for 2020⁸ found that the cost of a nursery place for a child under two

⁶ Office for National Statistics, UK House Price Index: September 2020, published November 2020

⁷ HomeLet Rental Index, October 2020

⁸ Family & Childcare Trust, Childcare Survey 2020

rose by 5% since the previous year, with the annual cost of 25 hours care per week hitting £6,800 in Britain.

Current inflation rates can mask longer term changes in the cost of living that have taken place since 2009. The examples below show major increases in core costs that have surpassed average prices increases over the period.

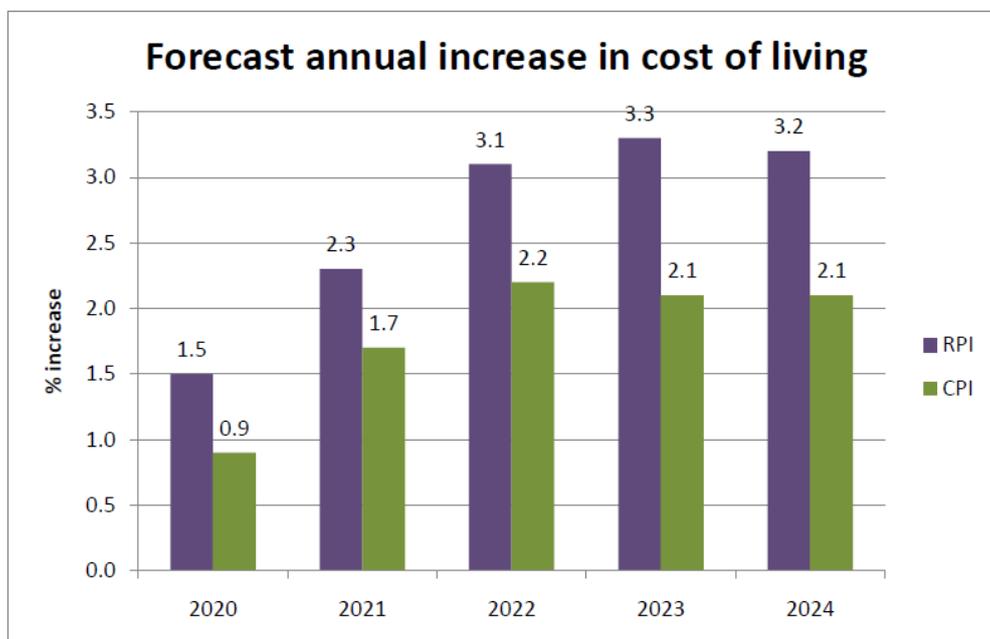
Table 5: Highest cost of living rises over last decade

Expenditure item	House prices	Bus & coach fares	Electricity	Rail fares
Price rise 2010 -19	36%	54%	59%	36%

3.4. FORECAST INFLATION RATES

The Treasury average of independent forecasts states that RPI inflation will average 1.5% over 2020. It will then escalate to 2.3% in 2021 and then run at in excess of 3% for the following three years, in line with the pattern shown in the graph below⁹. These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value.

Graph 1: Forecast annual increase in cost of living



Source: HM Treasury Forecasts for the UK Economy, October 2020

⁹ HM Treasury, Forecasts for the UK Economy, October 2020

3.5. AVERAGE PAY SETTLEMENTS

The ability of local government to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the wider labour market. This table shows how a decade of below average JNC pay awards have caused local government staff to fall behind their equivalents in the private sector and wider economy.

Table 6: JNC pay awards Vs those in the wider economy since 2010¹⁰

Year	Across economy	Private services*	JNC Pay Award
2010	2%	2%	0%
2011	2.5%	2.7%	0%
2012	2.5%	2.8%	0%
2013	2.5%	2.5%	1%
2014	2.5%	2.5%	2.2%
2015	2.2%	2.4%	
2016	2%	2%	1%
2017	2%	2.2%	1%
2018	2.5%	2.5%	2%
2019	2.5%	2.5%	2%
2020	2.3%	2.2%	2.75%
Cumulative	25.5%	26.3%	11.95%

*Does not include manufacturing and primary, as these are less accurate comparators

3.6. AVERAGE EARNINGS GROWTH

The graph below shows trends in average earnings growth over the last two years. The acceleration of the general rate to 3.9% in July 2019 took average earnings growth to its highest level in over a decade, but the effect of the Covid-19 pandemic on the economy has caused that figure to drop sharply and it now stands at 1.3%¹¹.

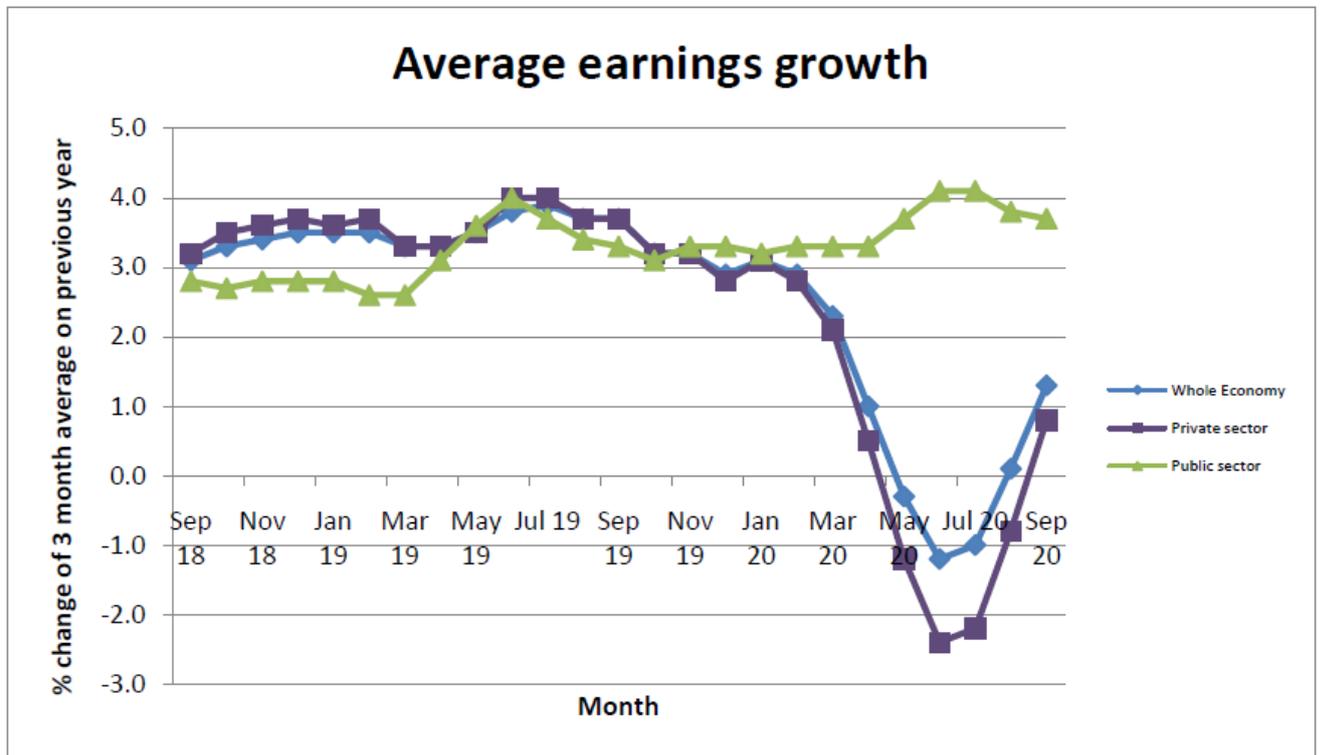
As in the case of pay settlements, a gap between public and private rates has been a persistent feature of the economy over the last decade. However, the last eight months is the first sustained period since 2010 when the public sector has been running ahead of the private sector. Public sector earnings are now growing at 3.7% while private sector earnings

¹⁰ Labour Research Department, settlements year to September 2020

¹¹ Office for National Statistics, Labour Market Overview UK, November 2020

are growing at 0.8%, as the effects of the pandemic have bitten and many furloughed staff have moved onto 80% of their usual earnings.

Graph 2: Average earnings growth over previous two years



Source: Office for National Statistics, Labour Market Overview UK, November 2020

Forecasts of average earnings predict that over 2020 they will inch up by 0.4% because of the impact of the pandemic and then pick up to 2% in 2021.¹²

The 2021 rate shows why a pay increase is needed, in order to avoid slipping behind the going rate and suffering damage to recruitment and retention.

3.7. COMPARISONS WITH THE PRIVATE CONSTRUCTION SECTOR

The Trade Union side is aware that 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.

The majority of JNC Craft agreement rates are inferior all 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

¹²Treasury, Forecasts for the UK Economy, November 2020

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 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 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 craft 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 Trade Union side is therefore seeking a 10% to all craft workers' pay. The increase needs to recognise that the most recent settlement only scratched the surface of restorative pay after years of financial hardship suffered by craft workers. 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 housing services provided by local government depends on attracting high quality workers.

- **An increase in Grade and recognition for craft operatives that regularly use additional skills to support employer business needs**

4. RED BOOK TERMS AND CONDITIONS

4.1. REDUCTION WORKING HOURS

The UK is suffering from an epidemic of stress and anxiety and local authority workers are disproportionately affected.

HSE statistics point to stress, depression or anxiety as the highest cause of work-related ill health and the cause of over half of all days lost to work-related ill health in 2019/20¹³. 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.

Analysis by the Health and Safety Executive (HSE) of Labour Force Survey statistics also shows that this is an acute issue within local authority services with human health and social work, public

¹³ HSE Annual Statistics Annual Statistics, November 2020

administration and education all accounting for some of the highest levels of average rates of stress, depression or anxiety¹⁴.

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 2019 Workforce Focus report¹⁵. When compared cross sector, local authority sickness rates are running at over double those for the economy as a whole.

In contrast to local authority statistics, the Labour Force Survey¹⁶ shows that economy-wide sickness absence has broadly been falling over the last two decades.

The negative impacts of long hours and high workloads are well documented causes of this sort of sickness. Long hours can lead to serious and long term mental and physical ill health, stress, fatigue and increases in workplace accidents¹⁷. For example researchers that studied¹⁸ 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.

Research also shows the impact that long hours can have in decreasing productivity within organisations¹⁹, lowering morale and leading to increased staff turnover²⁰.

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. 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.²¹

The Trade Union side believes that action needs to be taken to reduce the stresses of long hours on staff and better compensate them for working longer hours. Trade Union side are therefore calling for:

- **Reduction in the working week to 35hr with no loss of pay**
- **Extra day of annual leave entitlement**
- **A substantial increase in stand-by payments**

4.2. 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 calling for a

¹⁴ HSE Health and safety at work, summary statistics, November 2020

¹⁵ LGA, Workforce Focus, April 2019

¹⁶ ONS, Sickness absence in the UK labour market, November 2019

¹⁷ http://www.hse.gov.uk/research/hsl_pdf/2003/hsl03-02.pdf

¹⁸ [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)

¹⁹ <http://ftp.iza.org/dp8129.pdf>

²⁰ <https://www.employment-studies.co.uk/system/files/resources/files/352.pdf>

²¹ <https://www.tuc.org.uk/blogs/work-your-proper-hours-day-lets-stop-working-free>

significant increase in tool allowance so that it properly reflects the prohibitive cost to building workers to replace tools on a like for like basis when required. Council's must realise that ensuring building workers have the correct tools to complete works supports the efficiency and productivity of the services provided. If council's are not prepared to do this then every tool used by our members must be provided by the authority.

Trade union members are reporting that both 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.

Trade Union side is therefore calling for:

- **Recognition of the increased use of technology supported by an additional payment**
- **Modernisation of tool allowance to accurately reflect the cost of tools provided by the worker – or all tools must be provided by the employer**
- **Increase in tool insurance to reflect the actual cost of replacing tools**

4.3. CONSTRUCTION CHARTER

Local government spending must provide social value and economic benefit to local communities. Therefore righting the challenges of construction industry labour practices is a key priority. Unite is campaigning to ensure all procuring authorities involved in the financing of construction sector infrastructure projects sign up to the Construction Charter as the vehicle to deliver these aims.

The Charter has been signed by multiple local authorities across England and Wales. The Charter is designed to support fair and just construction economy and a legacy for communities from infrastructure investment. This includes a straightforward requirement from contractors on adherence to collective agreements; committing to support role of trade union representatives on site; delivering first class apprenticeships; and an unequivocal commitment to prevent contractors that engage in Blacklisting from benefitting from any contracts.

The Charter provides for access to sites for trade unionists and identifies that contractors securing contracts need to respect and work alongside trade union safety representatives.

In addition any Charter must ensure that Umbrella Companies and methods of working that support bogus self-employment are unacceptable forms of engagement

Such provisions must be adopted by all local government employers and public procuring authorities to ensure that investment and infrastructure spending is tied to supporting employment rights throughout the public sector.

- **Commitment to insourcing of work and implementation of the Construction Charter**

5. 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...'