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

PAY CLAIM 2022-2023

This JNC pay claim for 2022/23 is made by the Joint Trade Union Side (GMB and UNITE) to the Local Government Association.

Our claim is for:

- **An increase of RPI + 2% on all pay elements**
- **An annual retention payment**
- **Reduction in working hours to a 35 hour week, with no loss of earnings.**
- **Minimum standby payment across all councils**
- **1 additional annual leave day for all operatives, plus 1 further day on all other holiday rates that depend on service.**
- **100% increase on Tool Allowance**
- **Increase in Tool insurance**
- **Compulsory CSCS Training for all Red Book Operatives**
- **Maintain and improve Red Book Terms and Conditions**
- **Payment for Charging Phones, Laptops, Power Tools, Cars.**

July 2022

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CONTEXT OF OUR CLAIM

Since 2010, the local government craft workforce has suffered multiple crises. A financial crisis was swiftly followed by austerity cuts, a once in a lifetime global pandemic that stretched local government staff and resources to their limits, and now a new crisis – an unprecedented squeeze on the cost of living that has already created the fastest fall in living standards since the 1950s.

It is against this backdrop of crisis that council workers have endured a decade of pay freezes and below average pay awards. Local government workers have now lost on average 27.5% from the value of their pay spine since 2010 (when measured against the cost of living / Retail Price Index).

The value of craft workers' pay has been easily overtaken by industry rates of pay common in the collective bargaining arrangement in construction as well as the rates being paid to workers with equal skills.

For a workforce who are already underpaid, overworked and tired from a decade of ongoing crises, this new cost of living crisis means that local government craft workers will now struggle to manage. The TU side would again urge local government employers to join us in making renewed calls to central government for a proper funding allocation for local government pay.

Our pay claim asks for a substantial increase – to keep pace with RPI plus 2% as this would at least go some way to towards compensating local government craft workers for the 27.5% lost from the value of their pay spine since 2010. Crucially, it would restore local government pay to a competitive rate - lifting it out of bargain basement territory - and better reflecting a skilled workforce that has remained dedicated and hard-working in the face of the multitude of challenges thrown at them over this last decade and more.

COST OF LIVING CRISIS

A new crisis

A sharp rise in the cost of living is hitting our members hard – and hitting our lowest paid members hardest. While the conflict in Ukraine is exacerbating the hike in food, fuel and energy prices, this is a long-term problem that has been a long time in the making. It is a result of a decade of public sector pay restraint, cuts to funding for public services, rising inflation and a lack of investment and future proofing of sectors like food, energy, housing and transport to mitigate price increases.

The continued fallout from post-Brexit trading arrangements, plus a failure to shift the UK away from its reliance on fossil fuels have compounded this crisis.

The fastest fall in living standards since the 1950s

With ongoing rises in global energy prices and wage growth failing to match soaring rates of inflation (forecast to peak at over 9% throughout this year – the highest rate in four decades), the UK will now see the fastest annual fall in living standards in Britain since the 1950s - with real household disposable incomes per person set to fall by 2.2% in 2022-23[1].

The Office for Budget Responsibility (OBR) have warned economic conditions are now unlikely to return to pre-Covid levels until at least 2024.[2]

The cost-of-living crisis in numbers:

- Inflation in the UK is at a 30-year high.
- To ensure public sector pay awards reflect the higher-than-expected inflation, the IFS estimate the Treasury will need to invest an additional £10bn. If this is not found, public sector workers will see their gross salaries reduced by about £1,750 in real terms.
- Higher inflation wipes out at least a quarter of the real terms increases to public service spending announced in October 2021.
- The New Economics Foundation found that a third of households, or 23.4 million people, will have to cut back on some basics such as food or heating.
- 48% of children will be living in households unable to meet the cost of basic necessities.
- In the coming months, a perfect storm of policy choices will add significant costs to household expenditure including the removal of the £20 universal credit uplift, a 54% jump in the energy price cap affecting gas and electricity bills, a 1.25 percentage point increase in National Insurance, and an interest rate rise pushing up mortgage payments.
- With petrol and diesel costs at a historic high, filling up a tank costs £17 more than just one year ago, but HMRC mileage rates have not been updated since 2011/12.
- The UK's biggest supermarket chain, Tesco, predicts food price inflation will soon hit 5%. The cost of many supermarket staples has increased far more than this already – the average price of pasta increased 41% last year and tinned tomatoes went up 29%.

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[1] Economic and fiscal outlook, OBR, March 2022
[2] Economic and fiscal outlook, OBR, March 2022

- The UK has the second highest childcare costs in the world, and according to campaign group Pregnant Then Screwed there are 870,000 stay-at-home mothers who want to go back to work but cannot afford to do so.

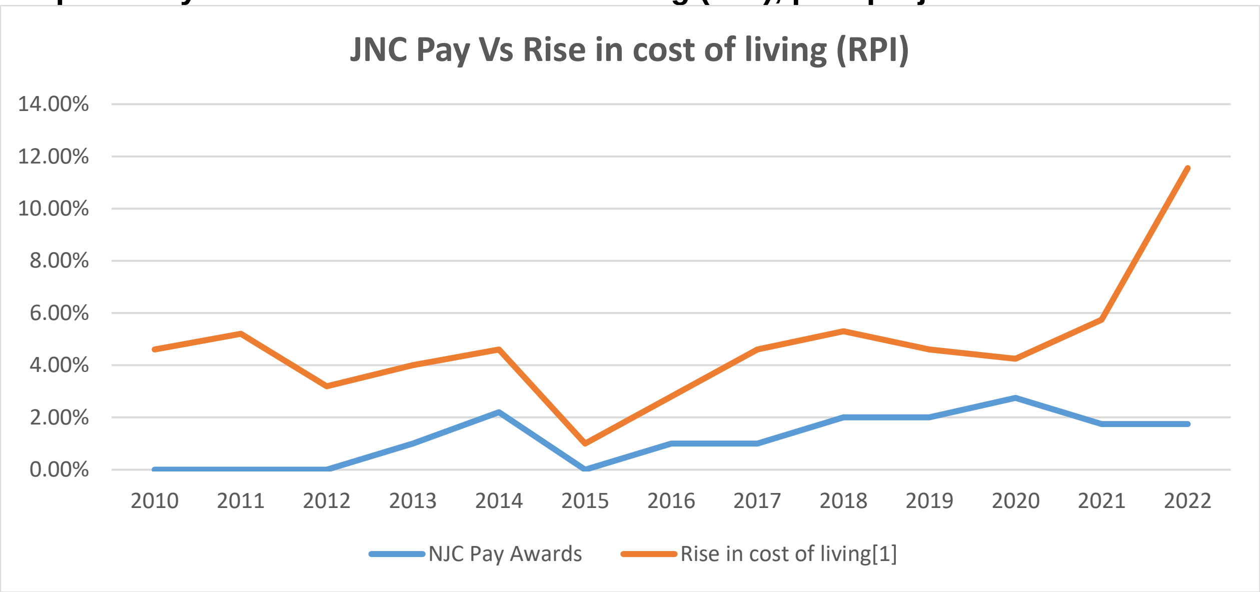
Government support measures are inadequate
Support measures offered by the government will only address up to a third of the hit to living standards, while planned tax cuts will only undo barely one-sixth of previously announced tax increases, leaving many households struggling to pay their bills.

ECONOMIC BACKGROUND

Historic low pay and the cost of living
As recently as October 2021, Boris Johnson complained of the UK's "broken" economic model: "We are not going back to the same old broken model with low wages, low growth, low skills and low productivity."[3]

If the Prime Minister wants to undo the damage that a decade of low wages has done, then a good place to start would be in local government, where pay awards have fallen below the cost of living in every year since 2010. Graph 1 below demonstrates this major fall in living standards - and incudes the forecast rate for 2022.

Graph 1: Pay Awards Vs Rise in cost of living (RPI), plus projected 2022 rise



For local government workers this cost of living crisis is a triple whammy – coming off the back of a pandemic (through which many worked in the frontlines) and a decade of pay cuts. Even before this new cost of living crisis, some everyday goods were rising in price far quicker than local government wage rises as shown in Table 2:

[3] Boris Johnson, Conservative Party Conference, Oct 2021

Table 2: Price changes to RPI commodities over the year to Feb 2022

Item	Average % increase to October 2020
Consumer durables	13.6%
Travel and leisure	10.8%
Personal expenditure	9.9%
Housing and household expenditure	8.2%
Food and catering	5.4%
Alcohol and tobacco	3.4%
All goods	9.6%
All services	6.8%
All items	8.2%

Source: Office for National Statistics, Consumer Price Inflation Reference Tables, February 2022

Within these figures, some costs are rising at an unprecedented rate, such as gas bills at 28.8%, petrol and oil at 21.4%, and electricity bills at 19.2%. Energy prices rose even more sharply from April 2022, when the price cap received an enormous lift and the average bill increased from £1,277 to approximately £2,000 a year[4]. The conflict in the Ukraine and subsequent sanctions are expected to push those costs even higher. The price of housing also remains one of the biggest issues facing employees and their families. Across the UK, house prices rose by 10% in the last 12 months, with Wales experiencing the biggest increase at 14.2%[5]. Private rental prices have also seen a significant increase, taking the average monthly rent for new tenancies in the UK up 8.7% compared to March 2021 and 11.6% in London.[6]

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 price increases over the period.

Table 3: Highest cost of living rises over last decade

Expenditure item	House prices	Bus & coach fares	Electricity	Rail fares
Price rise 2009 - 21	53%	88%	65%	55%

3.3 Average pay settlements

If local government wages fall even further below the cost of living, not only will current staff suffer but local government (as an employer) will fail to attract or retain staff. At 1.75%, last year's local government pay award was one of the lowest across the economy, demonstrated in table 4 below:

Table 4: Average pay increases across the economy, 2021

Sector	2021 Pay Increases
Finance and business services	1.50%

[4] Resolution Foundation, Higher and Higher, January 2022
[5] ONS UK House Price Index February 2022, published April 2022
[6] Homelet New Rent index: https://homelet.co.uk/homelet-rental-index

Local Government NJC	1.75%
Energy, water, mining, nuclear	1.84%
Manufacturing (other)	1.90%
Agriculture	2.00%
Transport and communications	2.00%
Other services	2.00%
Retail, wholesale, hotels and catering	2.20%
Health and social care	3.00%

Table 4 shows how a decade of below average JNC Red Book pay awards have caused local government staff to fall behind their equivalents in the private sector and wider economy. For 10 of the last 11 years, JNC Red Book pay awards have fallen below average pay awards in both the private sector and across the whole economy.

Table 5: Pay awards Vs those in the wider economy since 2010

Year	Across economy	Private services*	Red Book 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%
2021	2.0%	2.32%	1.75%

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

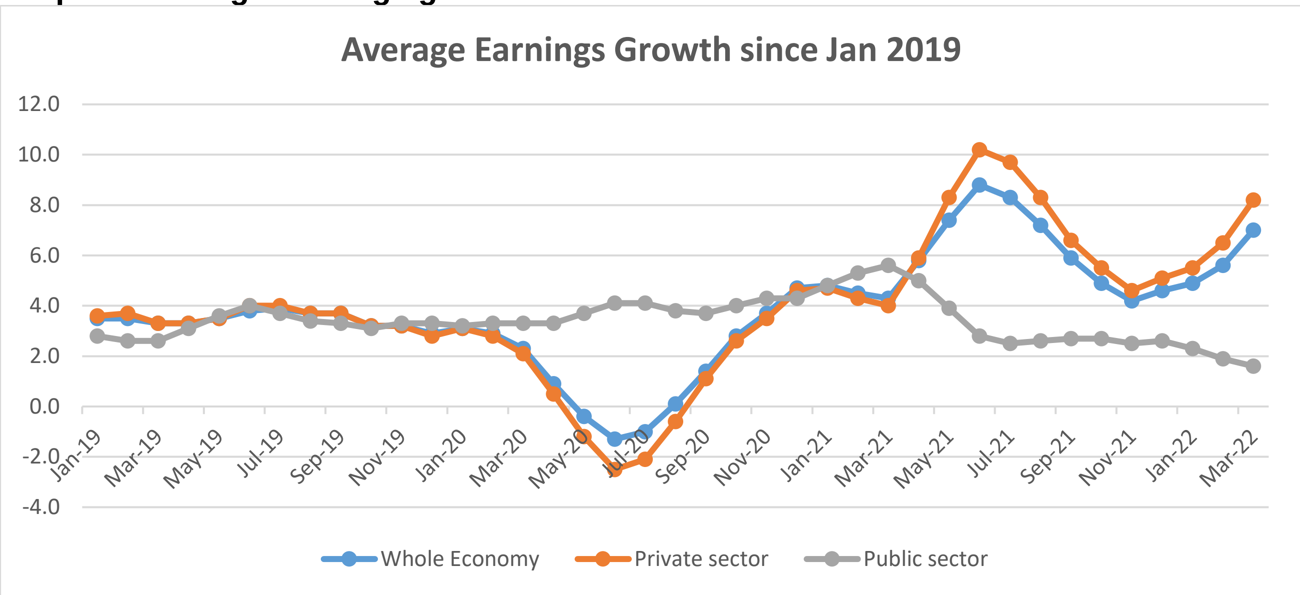
3.4 Average earnings growth

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. It then oscillated violently as the effect of the Covid-19 pandemic on the economy took effect. The number of furloughed staff moving onto 80% of their usual earnings caused the figure to dip sharply in 2020. But then the effects of the pandemic on the composition of the labour market as well as staff moving off furlough resulted in a spike to 8.8% in June 2021. The distorting effect of the pandemic has now dropped out of the figures, but average earnings growth remains at its highest level in almost 14 years at 4.8% in January 2022[7].

[7] ONS, Labour Market Overview, March 2022

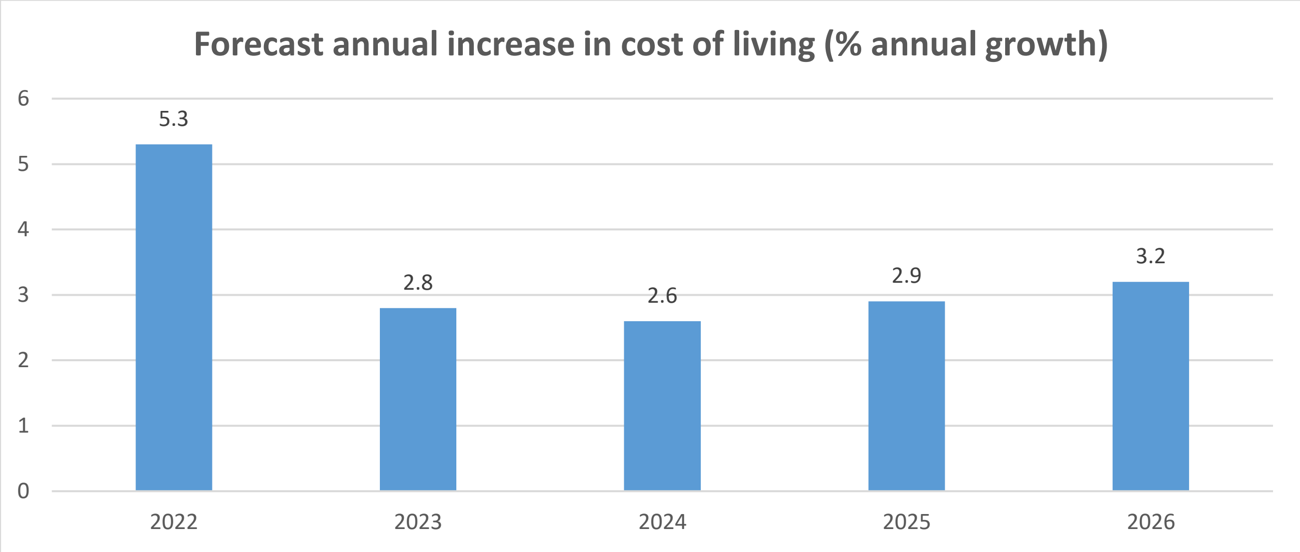
As in the case of pay settlements, a gap between public and private rates has been a persistent feature of the economy over the last decade. 2020 saw the first sustained period since 2010 when the public sector has been running ahead of the private sector. However, faster growth in the private sector has reasserted itself strongly since spring 2021, leaving private sector earnings now growing at 8.2% compared to public sector earnings growing at only 1.6%.

Graph 2: Average earnings growth since 2019



The Office for Budgetary Responsibility's March 2022 Economic and Fiscal Outlook suggests that earnings growth will average 5.3% over 2022, before dipping to 2.8% in 2023, in line with the pattern shown in the graph below.

Graph 3: Forecast average earnings growth



COMPARISONS WITH THE 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.

Construction workers in local government are grossly underpaid for their level of skills and qualifications. In the private sector tradespersons can earn average weekly wages far in excess of the average local government worker. For example, industry pay trends of private sector construction workers establish real time information that joinery, electrical and other trade groups can earn on average around £1000 per week or more.[8] Furthermore, if you compare the rates of pay in local government with those in the collective bargaining arrangements, and large projects across Scotland and the rest of the UK, our members are worse off than their peers in the trades.[9]

Construction workers are transient and faced with a cost of living crisis are able to ply their trade and work across different sectors of the construction sector anywhere in the UK with transferable skills necessary to work on major industry projects.

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) them *minimum* hourly rate for craft workers is currently £12.99 per hour while in the major electrical and contracting agreement, the Joint Industry Board (JIB), the minimum rate for an approved electrician employed on a job is using their won transport is £17.70 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 an advanced plumber/gas fitter increased to £15.94 per hour in January 2022. Each of these rates place JNC rates into perspective.

[8] https://www.hudsoncontract.co.uk/construction-pay-trends/
[9] https://sjib.org.uk/rates-and-allowances/national-wage-rates-2022-2023/

A recent pay survey of construction workers undertaken by Unite found that 59% of members working under the construction industry joint council agreement indicated that that they were regularly paid in excess of the minimum rate through either an increased hourly rate, or an hourly or daily bonus payment. When asked about levels of take home pay, excluding overtime, over one third of workers responded that they took home more than £600 per week.

At a time of rising costs in cost of living then the wage levels to be earned in the private sector become more appealing to our members. It's time local government employers understood the worth of their craft workers. Therefore a settlement that finally respects our members is long overdue.

Our members in local government are experiencing a cost of living crisis. RPI is currently at 11.1%, there is a short term increase in NICs and general costs are spiralling out of control for many, fuelled by an explosion in energy prices and large increases in costs to general household items.

The rates of pay across the major agreements in the sector have included recent pay rises in excess of those agreed in the JNC over recent settlements. The JNC craft rates lag behind 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 250,000 extra workers until 2026[10]. This is being influenced by massive infrastructure projects that can offer salaries far in excess of 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 rate of growth in average earnings in construction has recovered in recent months. The rate of growth in April was 7.6%, up from 6.9% in the year March and up substantially from 2.9% in the year to January.

The Trade Union side is demanding an RPI+2% increase 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 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, 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.

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

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.

Working long hours can lead to serious and long term mental and physical ill health, stress, fatigue and increases in workplace accidents[12]. Research also shows the impact that long hours can have in decreasing productivity within organisations, lowering morale and leading to increased staff turnover[13].

Recent TUC analysis[14] 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.

Researchers have shown that more time off makes people happier and improves productivity – making it good for employees, employers and the economy as a whole[15], while benefiting wider society, the environment,[16] and good for gender equality given women shoulder more than 60% of unpaid work[17].

Trade Union Side unions are clear that a meaningful pay rise and improvements to workload and working time must play a central role in tackling this epidemic.

These trends must be seen in the context of an epidemic of stress and anxiety across the UK economy. According to the HSE stress, depression or anxiety accounts for 50% of all work-related ill health cases in 2020/21[18]. While data is no longer available for days lost due to the statistical disruption over the pandemic, in 2019/20 this accounted for 55% (17.9 million) of all working days lost due to work-related ill health[19]. 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 shows that this is an acute issue within local authority services with human health

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[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
[15] Are We More Productive When We Have More Time Off, Zenger & Folkman, 2015
[16] Working Hours and Carbon Dioxide Emissions in the United States, Fitzgerald & Schor, 2018
[17] Women shoulder the responsibility of 'unpaid work', ONS, 2016
[18] Health and safety at work, HSE, 2021
[19] HSE Annual Statistics Annual Statistics, November 2020

and social work, public administration and education all accounting for some of the highest levels of average rates of stress, depression or anxiety. The pandemic has had a huge impact on these levels of stress, depression and anxiety and this has had a disproportionate impact on public service workers, who have often been on the frontline of the pandemic[20].

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. Part-time staff to be given a choice of a pro rata reduction, or retaining the same hours and being paid a higher percentage of FTE**

- **A minimum of 25 days annual leave plus public holidays and statutory days for all starting employees plus an extra day holiday on all other holiday rates that depend on service.**

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 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.

RETENTION PAYMENT

Even prior to Covid-19, recruitment and retention pressures in local authorities were significant – with an LGA survey[21] finding that 78% of councils were experiencing some form of recruitment and retention difficulties.

After two years of working through a pandemic, the situation is even worse. The LGA's COVID-19 Workforce Survey[22] asked councils to consider their ability to continue delivering services. Councils were asked to consider not only the impact of

[20] HSE Health and safety at work, summary statistics, November 2021: https://www.hse.gov.uk/statistics/overall/hssh2021.pdf
[21] LGA Workforce Survey, 2017/18
[22] LGA COVID-19 Workforce Survey, week ending 14 January 2022

COVID-19 and workforce absences but also the ability to recruit and retain staff with the required levels of skills and experience. Three-fifths said this was now a moderate or large concern.

While recruitment pressures build at local authorities, nationally the unemployment rate has been in decline. Local government already has an ageing workforce and struggles to attract new, young staff. With unemployment at a record low and local government pay stagnating, even some traditionally low-paid retail jobs have quietly caught up and overtaken local government:

Craft and construction skills are in high demand across local authority areas and beyond with large infrastructure projects due to commence and the role of construction in the UK government levelling up priorities. CITB estimates that more than 200,000 extra construction roles require to be filled up to 2025, further increasing pressure on a stretched skill base. Construction has been named as a sector where labour and skills are in short supply by KPMG and the Recruitment and Employment Confederation – these shortages are felt across both temporary and permanent roles.[23]

Local government workers with craft skills will be in high demand and with a destructive cost of living crisis placing financial pressures on every household the capacity to increase earnings is a huge carrot that workers will be drawn to. Therefore it is expedient for local government employers to recognise the skills set provided by our craft members, as has been done elsewhere in the public sector, such as recruitment and retention payments made across the NHS, and consider retention payments as part of the craft workers' pay settlement.

FULLY CARDED WORKFORCE

The CSCS scheme is a not for profit limited company, an industry led initiative, with the involvement of trade unions. Other established industry scheme such as the JIB/SJIB ECS for electricians exist as partner card schemes and carry the CSCS logo.

Our craft members working in local government should have the protection of the certification that their skills meet the requirements laid down by respective industries. They are rightly proud of the standards that they have achieved in their development of skills, knowledge and expertise and training they have achieved in their career and we therefore demand as part of our pay claim that each local authority employer with craft members that qualify for inclusion in the card schemes for their trade have received their card, with any training provision required identified and provided by the employer to their workforce.

INCREASED USE OF TECHNOLOGY PAYMENT

[23] KPMG and REC, UK Report on Jobs: June 2022

The trade union side believes 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**

CONCLUSION

After a uniquely challenging few years – beginning with the Covid-19 crisis and now extending into the new cost of living crisis – local government workers deserve more. More respect for the role they played in keeping communities safe and secure during the pandemic. More understanding of the difficult jobs they do after years of cuts to resources and staffing. But crucially they deserve more pay. With the pay spine now worth 27.5% less than in 2010, local government workers are struggling, even with the basics – food, rent, mortgages, heating and more.

Historically, local government was the last line of defence for those households struggling to pay the rent, put food on the table or heat their homes. But now some local government workers are facing those same difficulties themselves. This is unacceptable. JNC Red Book pay cannot be allowed to fall further into the depths of poverty pay – while even (historically low paying) high street retailers and supermarkets continue to raise their pay above JNC Red Book rates. If this trend continues, local government employers will find themselves in a year-on-year battle just to keep up with the legal minimum rates for pay in the UK. This is far from aspirational and does nothing to attract the next generation of local government 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. Just over half the cost of meeting this pay claim would be recouped via increases in tax revenue and reduced benefit, tax credit and Universal Credit expenditure.

The TU side recognises that this will require proper funding from central government, and so we again urge local government employers to join us in making those calls to central government. Only new funding can solve this problem – not attacks on (or a watering down of) conditions – which devalue low pay even further.

The Trade Union Side believes our claim is fair and appropriate – and that it would be a significant step in compensating local government workers for the loss of value in their pay over the years. It would also provide some recognition for a workforce that has remained dedicated, hard-working and resolute - despite the multitude of challenges and crisis they have overcome in recent years.