

Fórsa Explainer

What is the local bargaining clause?

The proposed Public Sector Pay Agreement 2024-2026 contains a local bargaining clause that provides for claims or proposals up to 3% of the payroll cost of a bargaining unit. That could be a grade, group or category.

While other cost increasing claims are precluded, this represents a significant improvement on the blanket exclusion of cost increasing claims that has been a feature of public service agreements for several years.

It is different to sectoral bargaining as defined in Building Momentum. There is no fund as such. However, it will be possible to use local bargaining to address structural issues and work practices. Accordingly, it is the first opportunity in many years to negotiate on these issues.

While it is described as local bargaining, this is really to differentiate it from the national pay terms. In practice, it will still make sense to approach this from a national perspective but related to particular grades, groups and categories.

While the calculations made related to the pay deal refer to a straight 1% pay increase from 1st September 2025 there is scope to use the cost involved to address other issues such as the pay and grading structures.

In considering this, account would be taken of the entire 3% not just the first phase to be implemented during this agreement. So, agreements on local bargaining would be focused on using the full 3% and, in effect, the implementation of the 2% balance would be to the fore in 2026 in negotiations on a successor deal.

A bit like Building Momentum, there will need to be initial agreement on the groups. Fórsa will engage in a consultative exercise with national representatives of our grades, groups and categories to see what they want to do.

However, a useful rule of thumb would be to see those as the traditional negotiating units. These would have been used most recently for the benchmarking exercises that took place between 2000 and 2007.

Although only the first phase of any outcomes will be implemented during the lifetime of the proposed agreement, the 3% amount provides reasonable scope to make progress.

Local negotiations can start in July 2024. They can run until June 2025.