TUC Motions

Public Sector Pay

Congress notes the appointment of a new Labour Prime Minister, Andy Burnham. This change in leader means nothing unless there is a change in direction that meets the needs of workers and working-class communities, still caught in the cost-of-living crisis.

Congress calls on Burnham's Labour government to launch sustained public investment, to jump-start economic growth. The UK is 80%-plus a service sector economy, which relies to a large extent on consumer demand to deliver growth. Congress endorses the research commissioned by the Public and Commercial Services Union which confirms that increasing public sector pay, especially for lower paid workers, acts as an engine of growth and more than pays for itself through: -

- Higher income tax receipts and NI contributions.
- Increased consumption raising tax receipts.
- Spillover into the private sector, boosting sales and potentially wages.
- Reduced reliance on Universal Credit to subsidise poverty wages or help with housing costs.

Congress applauds the rejection by PCS, by NEU, and by local government unions, of the attempts to restrain public sector pay rises to around 3.5%.

Congress calls on the new Prime Minister to reopen talks on public sector pay for 2026/27 to protect workers from the cost-of-living crisis.

Congress agrees to urgently call a national Saturday demonstration this autumn for investment in public services, against austerity and for pro-worker policies.

Congress urges all public sector unions to join a united campaign on pay, and, if needed, to plan for coordinated industrial action to secure real gains for workers.

Insourcing

Congress notes that outsourcing and privatisation have driven down pay, pensions, terms and conditions, decimated public services and created a two-tier workforce, while allowing private companies to profit from public money.

Congress deplores the catastrophic impact of privatisation of the administration of Civil Service Pensions, with Capita now leaving pensioners without payments, and workers delaying retirement through fear of being left without pensions.

Congress demands cessation of the government's continued contracting out to private companies like Capita, who profit while delivering abysmal services, terrible working conditions and pay.

Congress believes that publicly funded services should be publicly delivered. Insourcing improves accountability, service quality, recruitment and retention, strengthens collective bargaining, and ensures public money is invested in services and workers rather than shareholder profit.

Congress calls on the TUC to place demands on the Burnham Government to:-

- Bring utilities and services back into a well funded public sector – including railways, energy, mail as well as civil service pension administration and all outsourced government contracts.
- Transfer outsourced workers into direct public sector employment with protection of pay, pensions, continuity of service, trade union recognition and terms and conditions.
- Remove legislative, financial and procurement barriers that prevent public bodies bringing services back in-house.
- Ensure that restructuring of public services protects workers and is undertaken only with the consent of the impacted workers and their trade unions.
- Strengthen trade union rights including repeal of all anti-union legislation, restoration of collective bargaining and an end to fire and rehire.