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Date: 10 January 2024

NAECI 2024 and beyond Pay Update

Dear Trade Union Member,

As you are aware we are currently in dispute with your employer over NAECI Pay. This started in December 2022 when the NECC submitted our pay claim and has culminated in the first ever legal industrial action ballots over pay. This collective effort has resulted in our members being able to effectively challenge their employers, threatening to legally withdraw their labour, if an acceptable offer isn't forthcoming. This came to a head late last week when your negotiating team made it clear that we needed a better offer or the industrial action would be coming.

On the 4th January the TU negotiating team met with the employers and used the threat of widespread industrial unrest to move the employers to present to us a new offer, one that could be accepted by our membership and avoid the need to take strike action.

We have worked over the weekend to secure further concessions, including an agreement that if the members accept the offer by 19th January the employers will back pay the award to the 8th January, meaning our members have not lost any money, through strike or otherwise, in securing this historic pay award.

Overleaf the offer will be laid out in full, the employers have labelled this a 'without prejudice offer'; which is legal jargon meaning that the offer is a time limited offer, expiring if members do not accept it in this ballot.

The NECC believe that this offer is the biggest 'new money' agreement in the history of the NAECI and that a rejection of the offer would mean the start of a long and sustained campaign of industrial action to move the employer further, starting from the previously rejected offer of 10% for 2024 and 5% for 2025 with no back pay.

The organisation and strength of our membership, delivering overwhelming votes for strike action have got us to this point, we are in the strongest position the industry have been in for a number of years and it is for that reason we have secured the offer we have.

The NECC alongside your National Officers are recommending that you accept the pay offer in your workplace ballots and thank you for your support, patience and solidarity over the last 12 months.

The Offer

The ECIA are offering a two-year settlement with increases to terms and conditions as follows:

January 2024 – 11.3% increase on Pay

January 2025 – 5.5% increase on Pay

Lodge and allowances with increase by the same rate subject to HMRC approval

Illustrations of new rates

| Hourly Rate | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | Grade 6 |
|---|---------|---------|---------|---------|---------|---------|
| 2023 | £ 11.89 | £ 13.64 | £ 15.50 | £ 18.34 | £ 19.11 | £ 19.91 |
| 2024 (11.3%) | £ 13.23 | £ 15.18 | £ 17.25 | £ 20.41 | £ 21.27 | £ 22.16 |
| 2025 (5.5%) | £ 13.96 | £ 16.02 | £ 18.20 | £ 21.54 | £ 22.44 | £ 23.38 |
| Cumulative % increase (compound effect of 1st yr + 2nd yr) | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 |

| Weekly Rate (38 Hours) | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | Grade 6 |
|------------------------|----------|----------|----------|----------|----------|----------|
| 2023 | £ 451.82 | £ 518.32 | £ 589.00 | £ 696.92 | £ 726.18 | £ 756.58 |
| 2024 | £ 502.88 | £ 576.89 | £ 655.56 | £ 775.67 | £ 808.24 | £ 842.07 |
| 2025 | £ 530.53 | £ 608.62 | £ 691.61 | £ 818.33 | £ 852.69 | £ 888.39 |

| Annual Salary | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | Grade 6 |
|---------------|------------|------------|------------|------------|------------|------------|
| 2023 | £23,494.64 | £26,952.64 | £30,628.00 | £36,239.84 | £37,761.36 | £39,342.16 |
| 2024 | £26,149.53 | £29,998.29 | £34,088.96 | £40,334.94 | £42,028.39 | £43,787.82 |
| 2025 | £27,587.76 | £31,648.19 | £35,963.86 | £42,553.36 | £44,339.96 | £46,196.15 |

| Overtime Rate A | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | Grade 6 |
|-----------------|---------|---------|---------|---------|---------|---------|
| 2023 | £ 16.25 | £ 19.10 | £ 21.70 | £ 25.68 | £ 26.75 | £ 27.87 |
| 2024 | £ 18.09 | £ 21.26 | £ 24.15 | £ 28.58 | £ 29.77 | £ 31.02 |
| 2025 | £ 19.08 | £ 22.43 | £ 25.48 | £ 30.15 | £ 31.41 | £ 32.73 |

| Overtime Rate B | Grade 1 | Grade 2 | Grade 3 | Grade 4 | Grade 5 | Grade 6 |
|-----------------|---------|---------|---------|---------|---------|---------|
| 2023 | £ 21.40 | £ 24.55 | £ 27.90 | £ 33.01 | £ 34.40 | £ 35.84 |
| 2024 | £ 23.86 | £ 27.37 | £ 31.11 | £ 36.81 | £ 38.36 | £ 39.96 |
| 2025 | £ 25.17 | £ 28.88 | £ 32.82 | £ 38.83 | £ 40.47 | £ 42.16 |

The second year award has the following caveat to protect members from soaring inflation:

In the event that, UK inflation between September and November 2024 inclusive, as an average of the three months, increases by 3% more than the rate of increase agreed for 2025 (i.e.: 5.5%+3%=8.5%), the unions may make representations to the employers through the NJC to discuss the current position of the NAEI vs the prevailing economic conditions.

In addition the employers are offering:

1. To increase Sickness and Accident Benefit by £30 per week from 8th January 2024
2. To further increase Sickness and Accident Benefit by another £30 per week from 6th January 2025
3. To increase the value of the London Supplement (NAECI 9.3b) by £20 per night, increasing it from £10.40 to £30.40 from 8th January 2024
4. To introduce a “London Rate” enhancement, for hours worked on Categorised sites within the M25 from 8th January 2024. The value of the London rate will be £1.00 per hour above each published NAECI grade rate.
5. To mandate within NAECI the extension of Welfare Benefits provision to on-site apprentices from 8th January 2024.
6. To engage with you, after agreeing and implementing the settlement of your claim, in two joint working parties (chaired by the NJC) to consider:
 - a. The important issues of continuous professional development of the industry’s existing workforce. This will also include discussions about skill shortages and about how to attract additional people to come and work in the Engineering Construction Industry.
 - b. The important issues of incentivisation and productivity.
7. To undertake research to establish a better understanding of the current positions of our member companies regarding employer and employee pension contributions. The output of this research will help inform a future discussion in the next wage negotiation about a strategy for pension provision for the NAECI workforce.

The full ECIA offer letter can be viewed on the NAECI NJC website:

<https://www.njceci.org.uk/>

Yours Faithfully,

Jason Poulter
NECC Secretary
Unite National Officer

Charlotte Brumpton-Childs
NECC Chair
GMB National Officer