

UK bakery workers union ignores ballot for strike

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Bakery workers at two factories in Oldham and Bolton voted for strike action against plans by Park Cakes to recruit 45 workers on the National Minimum Wage (NMW), for less benefits, coupled with poorer conditions than the existing workforce. The new workers will be placed on zero hour contracts so their hours can be reduced without warning. They get no shift payments or overtime rates. They will have reduced or no entitlement to sick pay, a pension or redundancy rights. The ballot was organised by the main union for production workers at Park Cakes, the Bakers Food and Allied Workers Union (BFAWU).

The dispute centres on new legislation, the Agency Workers Regulations (AWR), which came into force on October 1 this year. Its supporters, including trade unions, claim it will give the estimated one and a half million agency workers in the UK the right to be paid the same as permanent workers doing similar duties once they have completed 12 weeks continuous work with the same company. They also claim it gives these workers slightly better rights regarding sick pay and in applying for permanent positions should they become available.

UK companies, in collaboration with the employment agencies, expect to get around the AWR legislation by employing a small number of new permanent staff on the minimum wage. This will allow the agencies to continue paying the minimum basic wage as prior to the legislation. It is expected that the 12-week rule will be circumvented by removing agency workers before they complete this provision.

Fines reaching £5,000 for blatant abuse are seldom handed out. Bringing a case would entail a complaint from an agency worker before the Employment Agency Standards Inspectorate, the body that oversees the regulations. It is manned by just 27 inspectors at four

call centres—this in a £26 billion industry overseeing 15,000 agencies.

Confusion also abounds as to who employs an agency worker. Two separate court cases have found judgement either way: one in 2004 found the end employer was responsible and another in 2008 found the agency to be the employer. The confusion bleeds into the powers of the Tax Commissioners, Employment Tribunals, and the Tax and Employment Law, which all allow for different reasoning.

Private equity firm Vision Capital, which has a large and diverse portfolio valued at £2.7 billion, bought Park Cakes in 2007. It provides cakes and confectionary to some of the largest retailers in the UK, with the major customer Marks & Spencer. Last year the head of Park Cakes, Anne Allen, received a 14 percent raise, while the company's directors received 10.62 percent raises. The payments were in response to an estimated 12-month turnover of £115 million. The BFAWU negotiated a wage freeze for the workers.

In a press statement greeting the ballot result, BFAWU National President Ian Hodson, after thanking the workforce for showing courage against a campaign of intimidation by the company, commented, "We would still encourage the company to enter meaningful negotiations with us and stop the need for any further damage. Most other companies have avoided this approach, and have reached reasonable agreements."

No specific action has been planned in the wake of the ballot, which concluded October 14. A joint meeting of the two factories' permanent workers has been called for October 29 "to see what the staff want to do next."

Most of the major unionised manufacturing plants in the UK now survive on the use of agency workers—the motor, printing, and ship building industry being major

examples. The public sector is rapidly catching up in the social and health care provision sector. Tourism is another major sector. A Trades Union Congress report in September 2007 highlighted the use of agency staff in some of the largest local authorities. Up to 20 percent of the workforce in some departments came from an agency. The figures in the report will certainly be overtaken today, and with the major cuts agreed to by all UK local authorities the full-time workers on negotiated wage levels will be further reduced.

BFAWU has cooperated with Park Foods in implementing the use of agency workers doing work alongside full-time operatives at lower wage levels. It has made no attempt in this dispute to protect and bring into the struggle the agency workers themselves.



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