

UK firms use new regulations to cut pay and conditions

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In October 2015, the hourly adult rate of the UK's National Minimum Wage (NMW) rose from £6.50 to £6.70. From April this year, all workers aged 25 were legally entitled to at least £7.20 per hour under a new National Living Wage (NLW).

Despite being handed a £15 billion cut in corporation tax in Conservative Chancellor George Osborne's budget to fund NLW and NMW pay increases, many firms are in fact cutting other workers' pay rates and terms and conditions supposedly to offset the cost.

Supermarket chain Waitrose responded to the legislation by ending the payment of Sunday and overtime rates for new shop workers. Tesco, Britain's largest supermarket chain, reduced Sunday rates from double time to time and a half, while Morrisons cut Sunday pay rates. Retail chains B&Q and Wilko cut Sunday and overtime pay.

Many of the attacks on wages and conditions began within the UK food industry, which is heavily reliant on the use of agency workers as cheap labour. Agency workers are not entitled to the same pay and conditions as full-time workers.

This has only been possible through agreements with the trade unions, notably the Bakers, Food and Allied Workers Union (BFAWU) and the UK's biggest union, Unite. These unions are involved in a number of disputes, including with the £1 billion-valued 2 Sisters Foods group, which is part of Boparan Holdings, valued at £3.5 billion and chaired by Labour Party Peer Charles Allan.

The unions claim the firm is reducing established enhancement pay to compensate for the cost in implementing the rise in the minimum wage. Enhancement pay is paid for work performed outside agreed normal hours and for working during weekends and holidays (commonly known as overtime). The

unions say the loss of earnings to full-time workers far outstrips the cost to the company of applying the new wage regulations.

On May 19 and 20, 400 workers at the Pennine factory of 2 Sisters Foods in Sheffield, South Yorkshire, struck for 48 hours against proposed wage cuts. Some workers could lose up to £5,000 as part of plans to remove extra weekend pay and lieu days for working weekends and bank holidays.

Following the Pennine strike, a 2 Sisters spokesman said, "We are disappointed some colleagues have decided on industrial action, given the union leadership's acceptance of our new terms in February." The firm claims the BFAWU agreed to recommend the deal to their members.

At the 2 Sisters-owned RF Brookes factory at Rogerstone in Newport, Wales, 100 workers are to strike for 48 hours between June 2 and 4. They are protesting the removal of night shift allowance, having to work more bank holidays, proposed lower overtime rates and the fact that the lowest hourly rate is being increased for workers over 25 only—in line with the national living wage. Interviewed by the BBC, an RF Brookes worker said he would lose £2,800 a year and some of his colleagues would lose up to £5,000. RF Brookes employs 800 workers, of which 420 are in the BFAWU.

A spokesman for the 2 Sisters Food Group said, "To connect this to the living wage would be totally inaccurate and misleading. Negotiations are all part of standard annual talks we have with unions at all our sites over the UK—Rogerstone is no different."

Unite is balloting its 440 members at the 2 Sisters Foods Pizza Factory in Nottingham regarding changes to agreed terms and conditions. In a May 24 statement, Andy Shaw, a Unite regional officer said, "Any

attempts to cut workers overtime, holiday and weekend pay to offset the government's new National Living Wage or to impose changes without negotiating with the workers union will be strenuously challenged by Unite... Unite submitted its pay claim back in September, seeking a modest 3.1 percent pay increase but rather than honour the annual pay anniversary the company has been refusing to negotiate."

Unite wants the dispute brokered by the Advisory Conciliation and Arbitration Service (ACAS). ACAS is headed by former Trades Union Congress General Secretary Brendan Barber. During his tenure, he did not lift a finger to oppose agency workers being on lower pay and worse conditions than those on permanent contracts.

Unite's claims that it will "strenuously" defend its members' pay and conditions is contradicted by its record. Last year, a 2 Sisters poultry planning site in Llangefni, Anglesey Wales announced 270 job cuts as part of a plan to "simplify" its business. The company announced that compulsory redundancies were restricted to 14, and that 37 workers had taken voluntary redundancy. The bulk of the job losses were made by 170 agency workers not having their contracts renewed. The union involved was Unite, which the company refer to as "our colleagues." With their collaboration, the firm said it had moved "to the proposed operating model which the business presented two months ago."

The unions have allowed food industry companies, including 2 Sisters Food Groups, to take on workers at rates of pay and conditions well below the existing basic level. Established workers are now being pushed towards accepting inferior terms on the same level as the agency/temp workers. For agency workers, enhanced payments are nonexistent.

At the Hovis factory in Wigan in September 2013, the BFAWU agreed to allow management to bring in zero-hours workers, replacing permanent workers made redundant. In an attempt to claim a historic "victory", the union claimed the agreement reached scrapped the company's attempts to use the "Swedish derogation." This is an opt-out used by employers to deny agency workers their rights under the Agency Workers Regulation, which grants comparative pay and leave entitlements after 12 weeks on an assignment. However, the provision did not apply to zero-hour "on

call" contracts.

A BFAWU press release described the settlement as "satisfactory for all concerned," saying that the union has "worked together with the company in order to minimise the use of agency labour at the Wigan site [which] will only be used where there is insufficient commitment by employees to work overtime and banked hours."

This sellout laid the basis for further attacks on the workforce by management. In July 2015, 40 jobs were lost when one of the two bread lines was shut down. Later, in November, the second bread line was shut down, and 111 jobs threatened overall. The bread-making lines ended entirely in March this year, with crumpet making the only production remaining at the plant. In response, BFAWU regional secretary Geoff Atkinson said the plant had suffered a "managed decline and a scaling back of jobs and skills, resembling nothing more than the business equivalent of a death of a thousand cuts, which I fear may lead to the eventual total closure of the bakery." He didn't mention the role of his union in this process.



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