

British Gas workers begin five-day strike

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Gas and electrical engineers employed by British Gas are striking for five days in opposition to plans by company owner Centrica to impose an inferior contract, including pay cuts of around 20 percent worth thousands of pounds.

The strike by the 7,500 GMB union members began Thursday and concludes at midnight next Monday. The company demanded that its workforce of around 20,000 sign the contracts by December 23 or be let go in a “fire and rehire” threat. Centrica is one of many corporations who have grasped the opportunity presented by the pandemic to carry out long-planned restructuring operations.

Those involved are 4,000 service and repair gas engineers, 1,700 smart metering engineers, 600 central heating installers, 540 electrical engineers and 170 specialist business gas engineers.

The GMB did everything to avoid a strike over seven months. Centrica announced last June that it intended a major restructuring, including shedding 5,000 jobs and ending a range of what it claimed were 7,000 different work contracts across the industry. It said it was prepared to use a section 188 notice if unable to negotiate the changes it wants. Under a section 188 notice, a company can sack and reinstate its employees on different terms and conditions.

Centrica favoured the path of enforcing its plans using its trusted partners in the trade union bureaucracy. Prior to announcing its proposals, the company was holed up for two weeks of talks with the Unite union. Further redundancies would be an “option of last resort if it turns out we can’t work together to achieve this.”

In response, the GMB, which has 10,000 members working for British Gas, organised a consultative ballot. Such ballots are a favoured means of the union bureaucracy to avoid taking any immediate action against companies. Even under the UK’s restrictive anti-strike laws, a strike can still commence after an industrial action ballot—but not a consultative ballot—after a 14-day period. The result was announced on August 19. On a turnout of two thirds, British Gas and P H Jones employees (a heating installation subsidiary of British Gas) voted 95 percent in favour of industrial action. The GMB’s notice of the ballot result called on the Centrica Board to “wake up and smell the

gas,” adding, “British Gas was an historically proud British institution—but Centrica’s beleaguered management are betraying a once great brand—and their entire workforce.”

Noting concessions already made, GMB National Secretary for Commercial Services Justin Bowden pleaded, “GMB members have spoken loud and clear in delivering their verdict, now it’s time for the company to listen and get real.”

In defiance of a massive mandate to fight, the consultative ballot served its purpose for the GMB leadership who waited for more than three more months to announce, on November 20, that it would soon hold an actual ballot for industrial action. Another five days passed, with the union announcing on November 25 that a ballot would be held on December 1. It said, “The ballot will open on Tuesday, December 1st, 2020 and close Thursday, December 17th—with the first possible strike action to take place anytime from New Year’s Eve. Further strikes could be called throughout the winter.”

Two ballots took place, each a week apart in being announced, with both returning large majorities for strikes. The gas and electrical engineers voted by 86 percent to reject the new contract and other GMB members at British Gas voted yes by a higher majority of 89 percent.

The GMB’s aim was to use these results as leverage for further talks. Bowden said on December 8, during the balloting period, “GMB has written to Centrica Chairman Scott Wheway calling for the fire and rehire threat to be permanently removed and for British Gas to return to the negotiating table.”

The company refused to move on the basics of its plans, setting December 23 as the new deadline for workers to accept the cuts or lose pay and protections ahead of being sacked.

The union responded that this “made strike action unavoidable.” Bowden complained on December 17, “Centrica and British Gas CEO Chris O’Shea is entirely to blame for this disruption in the depths of winter. He provoked his loyal workforce into strike action with his threats and deadlines to either accept very substantial cuts in pay and conditions or be sacked. His idea of compromise—to reduce a 20% cut in pay down to 10% and then lambast and

attack the shop stewards for not selling his proposals, has been overwhelmingly rejected by the gas, electrical and smart engineers. British Gas must now remove from the table entirely the fire and rehire demand and all the deadlines.”

As it announced strikes, the GMB trumpeted the efforts of a “cross-party group of 140 MP’s”, the vast majority from the Labour Party, who “wrote to Centrica boss Chris O’Shea to call on him to withdraw his threats—while the Prime Minister agreed fire and rehire is an exploitative negotiation tactic.” This must be the first time that Conservative Prime Minister Boris Johnson, a devoted Thatcherite, has ever been cast as a fervent defender of workers’ rights!

The letter was so tame and pro-business that it could be signed by myriad Blairites including Rachel Reeves, Stella Creasy, Chris Bryant and Wes Streeting. The main concerns of the signatories was that Centrica’s actions threatened to inflame the class struggle in the midst of a pandemic in which tens of thousands of people have died and hundreds of thousands have been laid off, with workers incomes and living standards decimated.

The MPs stated, “Using the statutory requirements to consult on redundancies through an s188 notice as a threat before negotiations had even started, set their negotiations off on an unnecessarily confrontational footing.”

Praising hitherto cosy relations between management and the unions, the letter added, “This is especially disappointing given the years of comparatively good industrial relations before your appointment as chief executive.”

Centrica had “tarnished the reputation of a great British company,” but it could still carry out the necessary restructuring in alliance with the unions. “It is clear that changes need to be made in Centrica and we understand the unions have been attempting to work with you to achieve a recovery for the business. The best way forward is a negotiated agreement so that changes are made with workers and not to workers.”

The union’s campaign demanding, “British Gas should start behaving like a British company” saw a video produced showing Tory cabinet ministers, right-wing Labour leader Sir Keir Starmer and members of his shadow cabinet speaking out against “fire and rehire tactics.”

On December 8, Centrica issued a “modernisation update”, declaring “Trade Union votes to accept new terms.” It revealed that “Since July we’ve spent over 300 hours in constructive negotiations with our four recognised Trade Unions; UNISON, GMB, Unite and Prospect... The objective of the talks was to try and reach a negotiated settlement that would see over 80 different employee contracts, with more than 7,000 variations in terms, reduced

to four standard contracts across the company.” It added, “following a period of tough negotiations with significant concessions made, our Trade Unions put revised proposals to their members for ballot.”

These resulted in 7,000 front-line office workers accepting the deal. The majority of these are in the UNISON public sector union. The update noted that “Our GMB represented office employees voted by 72% to accept the final offer with a 63% turnout.” Four thousand Centrica Storage Unite members “accepted the final offer and our 4,000 non-unionised UK colleagues are in the process of accepting our proposals by signing new contracts.”

Centrica said, “despite shaping the proposals with us and UNISON over several months, the GMB changed their mind at the last minute and recommended that their members reject those same proposals.”

Centrica pledged to meet with the “GMB leadership” and called on them to “join the other unions that recommend the negotiated proposals which offer the best rates in the market in return for productivity improvements.”

The GMB’s overriding concern is that the dispute is jeopardizing the future of Centrica as a profitable firm. On November 28, the GMB put out a video in which Bowden said the firm now had “less customers, less workers, more subcontractors and a plummeting share price which has bounced Centrica out of the FTSE 100.” Even as Bowden called on GMB members to reject the final offer, he called on them to “help us to save this business”.

The GMB has organised emergency cover to be in place during the strike so its impact is lessened.

Gas workers face a terrible decline in living standards if these conditions are imposed throughout British Gas. They are not just fighting the company but face staunch opponents in the union bureaucracy. Engineers and office workers must establish rank-and-file committees independent of the trade unions. The Socialist Equality Party will give every possible assistance in this fight. Contact us today to discuss the way forward.



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