

UK: Unite negotiates away bus drivers' terms and conditions as First Group shareholders celebrate financial windfall

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The claim by Unite the union that the outcome of the 11 week strike at Go North West (Go-Ahead) in Manchester was a victory for all bus workers and those facing the imposition of “fire and rehire” contracts is refuted by the renewed assault on terms and conditions at First Group buses.

Go Ahead withdrew its threat to fire its workforce and rehire them on an inferior contract after Unite agreed to overturn established terms and conditions and proposed £1.3 million cuts of the £1.8 million originally demanded by the company. The ending of the strike based on this sellout agreement served to entrench the role of the union as the most reliable mechanism for enforcing company dictates and suppressing workers opposition. Unite’s refusal to mobilise bus workers nationally behind the brave stand taken in Manchester was because this would interfere with its collaboration with other private operators who are demanding similar attacks.

First Group, like Go-Ahead, is one of the leading private train and bus operators in the UK. The UK based transnational employs 100,000 workers globally with revenues last year of £7.8 billion.

First Group is demanding the tearing up of conditions at its bus subsidiaries across the UK, which collectively operate 20 percent of bus routes. This takes place even as it prepares to line the pockets of its shareholders to the tune of £356 million, raised from the sale of its major US bus operations, First Direct and First Student, for £3.3 billion. This is the first time in eight years that the transport giant has paid a dividend, marking it out as one of the pandemic profiteers.

Last year, First Group chair David Martin stated almost deliriously in a March 11 conference call to investors, “At the moment, in my experience, this is one of the most exciting times, with potentially real deliverables there and money standing behind it.

“We are all in violent agreement, is the only thing I can say. Everybody is on the same page in the one direction of

maximising shareholder value and providing the ability to create substantial returns to shareholders in the short term, or within the second half of this year. That's our plan of action, we're extremely robust about it, and we're looking forward to moving forward.”

While the company boardroom and shareholders celebrate making a financial killing, 14 First Bus employees have died from Covid-19 and bus drivers are confronted with demands to accept pay freezes and the elimination of their basic entitlements or face losing their jobs.

The FTSE 250 listed company imposed pay cuts of 20 percent on drivers who have been furloughed during the pandemic even as it took government subsidies via the Coronavirus Retention Scheme—which paid 80 percent of wages—but refused to top it up.

Bus drivers at First Potteries, operating 30 routes serving six towns in Stoke-on-Trent in north Staffordshire, are confronting changes to their contract including a one-week reduction in their holiday allowance and a mandatory 90-minute unpaid meal break. The company wants to remove the transport home for drivers who finish duty after the last bus. The contract changes would leave drivers paid for only eight hours during a nine-and-a half-hour shift.

Unite has issued no statement against this, with the threat only reported in the local *Stoke Sentinel*. One driver told the newspaper how angry he was: “As a bus driver that worked for First Potteries throughout the Covid crisis and various lockdowns, I think these new changes are a slap in the face to the key workers who turn up and just do their job.” In contrast, Unite Regional officer Stephen Blakemore said, “We have a long-standing relationship with First Potteries, and we are currently engaged in constructive dialogue.”

The corporate relations between Unite and First Bus are evident at First Eastern Counties (FEC), its subsidiary in East Anglia which operates 100 routes across the region and its major towns and cities from five garages. Since January, Unite has been in weekly talks with the company to

implement cost-cutting measures.

Unite has agreed a Coronavirus Recovery Plan, referred to as “Plan E”, with the Managing Director Stephen Wickers. Scott Higgins, Unite convenor for the fleet stated in a March 15 letter to members, “The easiest option for the business was to down scale, this would mean at 80% passenger revenue levels a loss of 160 jobs across our Op-Co.

“The employer, through the MD Steve Wickers made it clear that this would be a compulsory redundancy situation (not voluntary), a depot closure and movement of other resources to save £4.3 million locally that needed to be found. He asked for help, and any other ideas that could be put forward from us as the Unite team.”

This provided the rationale for Unite to support Plan E as the least bad outcome.

Unite has committed itself to achieving, as a minimum, 90.6 percent efficiency levels across all FEC depots from June 2021. The claim that this will protect jobs and prevent loss of earnings is false. It has already led to an unspecified number of redundancies at management and control levels. The new scheduling agreements for drivers are aimed at reducing the number of driver duties and can only result in job cuts. To operate behind the backs of bus drivers, the “scheduling efficiency working group” between management and the union has been sworn to a confidentiality agreement.

The Recovery Plan will lead to a dramatic loss of earnings as the planned pay award for drivers has been suspended this year and the next pay review is not until April 2024. Meanwhile, drivers will receive a “harmonisation” of hourly pay to £11.60 next year representing a miserly 10 pence an hour for those on the basic rate of £11.50.

The collaboration of Unite with management’s offensive is the direct outcome of the corporatist relations established with First Bus last March through the National Joint Consultative Forum. The Unite Central Bus Committee on FEC announced it had signed up to this “strategy”. In a letter to its membership, Unite stated that it was necessary to work together with the company to protect the “business” during the pandemic. Signalling its unity with Prime Minister Boris Johnson’s Conservative government and the company by making no reference to the criminal mishandling of the pandemic, Unite insisted, “No one asked for this situation, it is with us and we must all work together to come through it and out the other end.”

Unite is promoting cost cutting by pleading poverty on behalf of the corporation, citing reduced revenue streams from the decline in passenger usage and the need for the company to repay a £850 million loan to the government.

First Group has been awash with massive government subsidies it has claimed through its bus and rail operations.

In May, the government established the Covid-19 Bus Service Support Grant (CBSSG). This covered the private operators for all losses incurred from the decline in passenger usage in England, excluding London, with similar schemes operated in Scotland and Wales. The CBSSG was paid in addition to the Bus Service Operators Grant (BSOG), which was set at pre- COVID-19 levels. Combined, this has meant that £1 billion worth of government funding was funnelled to the private operators by the end of 2020.

Even this degree of government largesse has been dwarfed on the national rail network. In March 2020, the franchising arrangements were suspended, with the government taking over the operators’ financial liabilities. By September last year an estimated £3.5 billion was handed over to train operating companies with this arrangement later extended for a further six to 18 months.

First Group, which operates South Western, Great Western and Transpennine Express receive a fixed level of income from the government instead of being reliant on ticket sales. The government subsidies have been directly linked to dividend pay-outs for shareholders. Go-Ahead, which runs Southeastern and Govia Thameslink, is estimated to have received £10 billion in government subsidies by mid-2021. The company expected to pay a dividend at an “appropriate level”, with chief executive David Brown stating that its services were an “absolute bargain” for the taxpayer.

The isolation and betrayal of the fight at Go North West by Unite was to block any unified struggle against the major corporations, to which they serve as junior partners. The trade unions do not function as defensive organisations of workers, but rather guarantee an upward transfer of wealth at their expense. The most basic interests of the working class can only be defended through the establishment of genuine organisations of class struggle as part of a broader fight against capitalism and the pandemic profiteers. This is the perspective advanced by the London Bus Drivers Rank-and-File Committee. We encourage all bus and transport workers to support its work and expand the fight.



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