

EWS Railway CSEU Engineering National Council

Affiliated unions to the CSEU



Our Ref: PC/A15

Sunday, 13 March 2005

Mr S Boner
Engineering Director
EWS/EWSI Railway
Lakeside Business Park
Carolina Way
Doncaster
DN4 5PN

2005 Pay & Condition Review for Engineering Grades

Dear Stuart

We formally submit a pay claim on behalf of the Engineering staff effective from the anniversary date of the 1st April 05.

1. Substantial increase in all rates above the retail price index
2. A review of all the engineering grades within EWS engineering restructuring document
3. An increase in geographical allowances and to be index linked in the future
4. An increase in unsociable hours payments for rosters that attract excessive unsociable hours
5. An increase in all B & R payments and on call arrangements to be reviewed
6. Introduction of a new mobility allowance for staff working away from home for more than 1 night
7. Family friendly policies to be reviewed and incorporated into the engineering restructuring document where appropriate
8. Pensions matching contribution from the company to be reviewed and to be in line with current rates of pay.

We would further confirm the CSEU is committed to working with the Company in order to achieve our aims. This will include discussing any productivity improvements the Company may seek. However, it is CSEU firm position that our members must be consulted with and approve any proposals.

Below is information to substantiate the CSEU pay and conditions claim.

1. Substantial increase in all rates above the retail price index

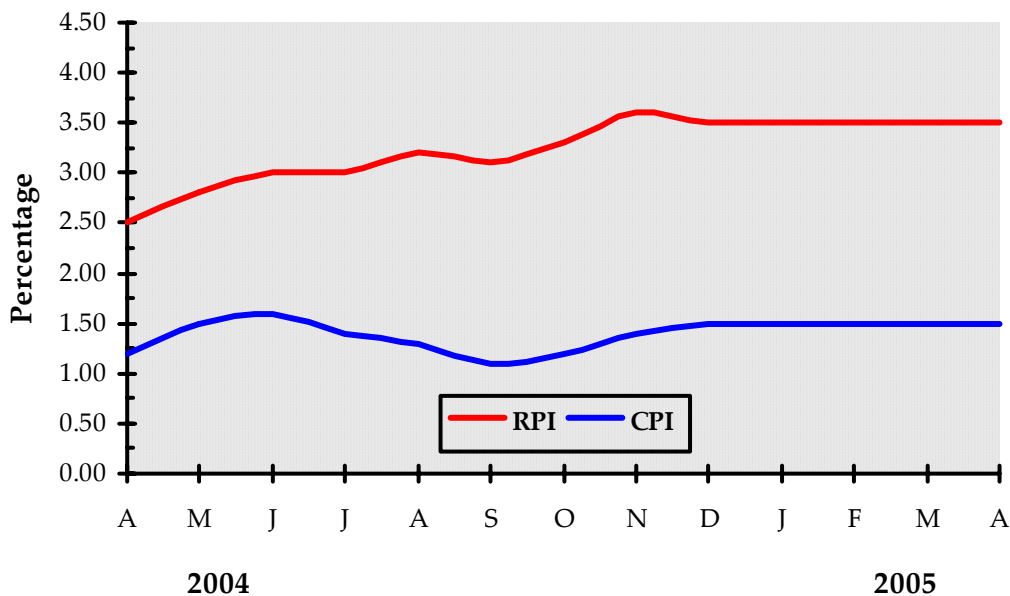
Economic background:

The level of inflation is forecast to continue showing a rise until at least mid 2005.

In more detail Inflation rose to 3.6% in November 2004 and the RPI inflation is expected to remain at 3.5% right through to April 2005 and beyond.

Inflation forecasts for 2005:

Inflation - Monitor / Forecast - RPI & CPI



With regard to Interest rates there have been five consecutive increases raising bank base-lending rates to 4.75%, which have served to increase mortgage repayments, thereby reducing the disposable income of home owning employees.

Transport costs fell this year as prices for petrol and diesel fell in January contrasting with small rises recorded last year. In addition seasonal falls in air-fares were greater in January 2005 than a year earlier.

Large offsetting upward effects came from a number of commodity groups. Supply shortages for several seasonal food items led to higher prices this year than last January.

For the fourth successive month, rising household energy costs also had a large upward impact on the annual rate. Gas and electricity bills rose again in January mainly reflecting the ongoing impact of tariff increases from a number of major suppliers announced in the autumn.

Other large upward effects came from financial services and recreation and culture.

Demonstrated below is a number of Railway Companies pay arrangements covering 2004 - 2006 and the CSEU feel in order to maintain parity across the industry consideration should be given to comparable increases

GNER

Settlement date from	28/03/04	to	28/03/05
Increase on lowest basic	Average increase		Paybill increase
	4.00%		

South West Trains

Settlement date from	04/10/04	to	01/10/06
Increase on lowest basic	Average increase		Paybill increase
	4.20%		

South Eastern Trains (Engineering & Retail Grades)

Settlement date from	04/04/04	to	01/10/06
Increase on lowest basic	Average increase		Paybill increase
	3.90%		

Virgin West Coast

Settlement date from	01/04/04	to	01/04/05
Increase on lowest basic	Average increase		Paybill increase
	3.60%		

First North Western (other grades)

Settlement date from	01/04/04	to	01/04/05
Increase on lowest basic	Average increase		Paybill increase
	3.50%		

London Underground Ltd

Settlement date from	05/04/04	to	05/04/06
Increase on lowest basic	Average increase		Paybill increase
	3.50%		

For April 2004 – April 2005 pay increases on lowest basic rate for EWS Engineering grades was 3%.

2. A review of all the engineering grades within EWS engineering restructuring document.

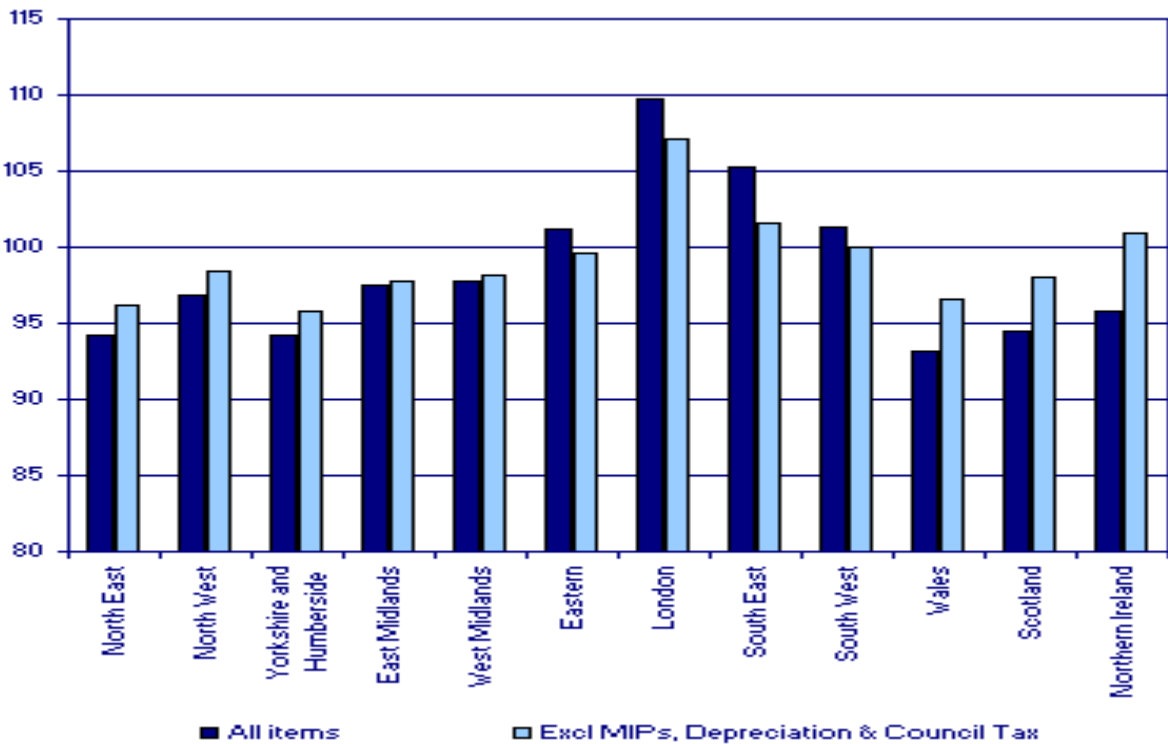
Without a review of the Engineering grades it will be very difficult for EWS Railway to fulfil its commitments to deliver on its business principles without committed people. People are our most important asset and are key to EWS's future success. The five principles for success that are core to the EWS business plan dictates these aims. We come to work to deliver reliable services for our customers. In delivering these services, we must control our costs and ensure that we use our assets effectively, as any business should. However the delivery of these services must be done safely and we cannot do any of this without committed people.

It is extremely concerning that the time and money invested in individuals is being lost and that the motivation and morale of remaining employees is an increasingly difficult problem.

In order to meet the modern engineering practices a clear structure for employees to grow and develop is required to provide mutual benefits. This aim is essential for the future.

3. An increase in geographical allowances and to be index linked in the future

Regional price levels
 London 9.7 % higher than UK average



Newly published figures show that prices continue to be most expensive in London, followed by the South East. Average prices in London are 9.7 per cent higher compared with the UK average and 5.3 per cent higher in the South East. Prices remain lowest in Wales, followed by the North East and then Yorkshire and Humberside. The picture is the same, but less pronounced, when the costs of owner-occupier housing are excluded.

Housing costs show the greatest variation between regions with London being nearly twice as expensive as Northern Ireland. Conversely, food and tobacco prices vary little across regions.

The analysis is based on data collected for the compilation of the Retail Prices Index.

The figures provide an overall picture of how prices generally vary across different parts of the UK.

There has been no substantial increase in geographical allowances since the introduction of the EWS engineering restructuring document.

4. An increase in unsociable hours payments for rosters that attract excessive unsociable hours

There has been a significant number of changes at all depots to rostering since the initial introduction of the EWS restructuring document

These have been driven by EWS new business plan e.g. Virgin Voyager engineering maintenance, third party work etc. which require staff to work different rosters without any reasonable reward.

5. An increase in all B & R payments and on call arrangements to be reviewed

The on call payments for engineering team leaders have not been increased for since their introduction. This is not in line with other staff groups. This also applies to the Company's serious incident payments.

As a part of any review it may be beneficial to have the on call commitments to be extended on a voluntary basis for staff to all engineering grades.

6. Introduction of a new mobility allowance for staff working away from home for more than 1 night

Due to increases in track access charges there has been a significant increase in the numbers of staff being asked to work away from their home depot in order to meet the company's business needs.

CSEU feel that the company should give consideration to a mobility allowance to recompense staff for time spent away from home in order to meet the demand, as this is a clear change in working practices since the introduction of the restructuring document.

7. Family friendly policies to be reviewed and incorporated into the engineering restructuring document where appropriate

The CSEU would encourage the company to give strong consideration to the European Working Time Regulations directive on flexible working

8. Pensions matching contribution from the company to be reviewed and to be in line with current rates of pay.

State Pension is Currently £79.68

The majority of EWS current engineering staff age profile is around 40. Their pension will be made up from two financial figures based on pre restructuring benefits and restructured benefits.

The CSEU has concerns with regard to non-pensionable earnings and feel one way of addressing this issue is to highlight the benefits from contributing to the Railway Pensions top up scheme BRASS 2. This scheme will enable staff to fulfil shortfalls in pension benefits.

BRASS 2 matching contributions at the moment come from the EWS Railway section schemes surpluses.

At this moment in time EWS Railway do not contribute its own revenue into the EWS section of the scheme.

Currently EWS Railway section of the Railway Pension scheme does not have a joint section committee. This is not a position that the CSEU supports. Pensions are deferred pay and the CSEU feel a committee would strengthen EWS commitment to its employee's long-term relations.

A shared understanding and a commitment to the company's business goals and aspirations of staff are the way forward to achieving the aims of this claim.

Both company and employees should commit to sharing information as early as possible and in an open discussion forum in order to obtain long term stability of employment and opportunities for both parties.

It is CSEUs firm position that the engineering staff must be consulted with and approve any proposals.

Both parties must accept the need to communicate openly and to allow free and frank expression of the respective positions with the aim of achieving mutually acceptable positions for all of those affected directly or indirectly by it.

Yours sincerely

Charles Harding – *Lead CSEU Organiser*