

Buildings & Plant

Engineering Company Council Meeting– 29th November 2005

Those present

Management Side	Neil McDonald, Roy Taylor
Staff Side	Charles Harding, Ian Ritchie, Craig Freebairn, Nigel Horswill
Apologies	Bill Harrison, Ron Thompson

Internalisation of Buildings & Plant work

Mr McDonald explained this was a follow on meeting from the discussions at Toton on 10/11/05 and thanked council for their efforts in producing the document of 21/11/05. He requested council explain their proposals further

As outlined at the previous meeting Council had 2 major concerns regarding the proposals – the lack of a supervisory role within the proposed teams and the mandatory on call.

Supervisory Role

In relation to the supervisory role it was council's view that the proposal would not work without a supervisory role within the Area teams. This view was based around 2 issues :-

- Without a Team leader role, some responsibilities would pass to team members which were not contained within their role & responsibilities. This was unacceptable to council
- There were a number of team leaders outside of those identified as plant team leaders who conducted plant work. Council produced documentation to support this.

Council's proposal was that there be 6 x Team Leader positions created to supervise the proposed 6 area plant & building teams.

Mr McDonald explained that such a proposal would have severe economic implications for the ethos of internalising work. He explained there were already 6 x Managers to manage the proposed teams. Creating an additional 6 x Team leader positions added some £240,000 to the cost of the proposal (accounting for pensions & NI). If Mr McDonald was to accept this, it called into question the whole economics of internalisation. Council countered that there needed to be someone hands on in the areas with the expertise of issues such as high voltage work. The Buildings managers themselves had advised council of this. Mr McDonald explained that the economics of internalisation would not support this proposal and as such, if no solution could be found on this issue then the company would walk away from the Internalisation proposal at this stage.

An adjournment was taken.

Mr Harding explained that the council were supportive of the internalisation of work and the positions it created. However, they fundamentally believed that for the proposals to work there needed to be a hands on supervisory element in the teams. They believed a team leader position was the best option, but indicated that if the Company is determined to remove the positions of Plant Team Leaders and consequently withdrew these positions, then as a further counter proposal they suggested the creation of a role similar to that existing within the Infrastructure organisation of Chargehand. This role would assist with the day to day running of the Area Plant & Building teams.

After consideration, Mr McDonald explained he was not adverse to this idea but it would have to become part of the Engineering document. He would need to consider the economics of such a proposal at a future adjournment but suggested they move to the subject of on call.

On Call Arrangements

Council explained that a mandatory on call arrangement was not part of the current Engineering Restructuring document. They had spoken to the current 35 staff involved with plant & building work. Some were happy to be on call on a voluntary basis and some were not. Council therefore proposed the following :-

- Those staff currently doing building & plant work retain their right to a voluntary arrangement.
- For new staff and those existing staff who volunteer to undertake on call, a payment of £95.10 per week when on call and serious incident response payments when called out.

Mr McDonald explained he had to balance the economics of internalisation with the ability to provide the business with a service. He explained that he had done some investigation into the current level of call outs. The current building managers, who were on call, received 2/3 calls per week. However most of these issues did not necessitate the calling out of contractors on an out of hours basis. The estimate suggested some 1 call per a week to contractors on an out of hours basis.

Mr McDonald then compared the cost of the current arrangement with that of the council's proposal

Current costs

52 calls per annum at £200 to £300 per call

Total = 10 to 15k

Council proposal

2 on call per area x 6 areas x 52 weeks x £95.10

Total = £59,342

On top of this serious incident payments would be paid.

Given this Mr McDonald explained the company could not afford the proposal. Equally, the level of call out may not need a mandatory on call arrangement and if the current voluntary arrangements met business needs then he would accept this. Mr McDonald would remove the mandatory on call commitment from the proposal but would review the position within 3 months of its introduction to ensure the voluntary arrangements were meeting business needs.

This was accepted by council.

At this point an adjournment was taken.

Mr McDonald explained he had considered the further counter proposal made by council on a charge hand type role within the Area plant & buildings teams. He suggested the following :-

- The role be called senior team member
- The role would attract a non-pensionable annual allowance of £1300 per annum. It was non-pensionable because the company did not wish to place further strain on the pension scheme.
- A generic role & responsibility statement for this role to be included in the ESR document

Mr Horswill asked if these roles would be in addition the 70 roles within the proposal. Mr McDonald explained the economics of internalisation would not support this.

Council wanted to know how many of these senior team member roles would be created in each area. Mr McDonald explained this would be a matter for local discussion, if the principle of this type of role was accepted.

Council advised they would consider this proposal but wished management to consider a further proposal. Mr Ritchie explained that as there were only 2 current plant team leaders the company should consider protecting the current ROP of these individuals until the rate of a senior team member role caught this up. Mr Ritchie understood it was outside the existing P,T & R but felt it was justified for the following reasons :-

- The people involved had a lot of experience and skills that the company needed to retain
- Given the age profile of the building managers these people could potentially become the next managers of these teams in the not to distant future
- The 2 people had not had the chance to apply for the building posts because of the displaced people within the B& I organisation.

Mr McDonald explained he would consider this proposal at the next adjournment

Lodging Allowance

Mr McDonald thanked council for their proposal of a £20 lodging allowance per night. He explained he was not in principal against such a proposal but explained it would cost the company some £100,000 per annum (potential of 20 people per week x 5 nights x 52 weeks).

When the restructuring proposal had been withdrawn he had removed the money associated with lodging from the budget and, given, he had recently been advised that the engineering budget was currently £2.3 million adverse (with fuel) he believed he could not place the company at additional risk by introducing this proposal during this financial year.

He believed this subject should be returned to at the January Council meeting, when budgets for the following year were being produced.

Old Oak Common

Mr Taylor explained he would respond formally in writing to the council's counter proposals within 7 days.

Bonus

Mr McDonald reiterated his view of 13/10/05 that the company was not against some kind of gain share initiative for engineering staff but the company and council would need to enter into detailed discussions over how such a bonus could be demonstrably self funding.

Council agreed to draft some initial proposals

At this point an adjournment was taken

Senior Team Member Proposal

Mr McDonald requested council's view on the Senior Team member proposal. Council explained their preference was to see a team leader role within the areas but they believed the creation of additional jobs through internalisation was too important to lose. Whilst they could accept the principle of a senior team member role for the plant & buildings teams, they could not accept a more general application. If it were to be considered within other aspects of engineering, separate discussions regarding the proposal would have to take place.

Within the Plant & Building team they would accept a role & responsibility for a Senior Team Member which had the following addition

“ To assist the day-to-day running of the Area Plant & Buildings teams “

They had considered the £1300 non pensionable proposal and viewed it as insufficient. They suggested an amount of £1750 non pensionable would better attract people to the role.

Mr McDonald advised council he had considered the proposal to ring fence the salary of the existing 2 plant team leaders. After a long deliberation he advised council he could not accept this proposal for the following reasons :-

- The 6 month protection arrangements had been harmonised across the company following the conclusion of the recent grading change amongst salaried staff. This had been done following criticism that 2 people could be paid differently for the same role. This proposal would open up this criticism again within engineering
- The protection proposed would give the individuals some 4/5 years salary protection. This was well in excess of the 6 month arrangement agreed in the P,T & R

Council wanted to understand how the 2 team leaders would be supported by the company. Mr Taylor explained they would be dealt with under the agreed P,T & R arrangements and would have the opportunity to be considered for the role of senior team member (if agreed by council) or other roles within the proposed teams. In addition, they would be advised of other potential roles within engineering / the company. The 6 month protection arrangements would apply, if required.

Following a further adjournment Mr McDonald offered council a £1500 non pensionable allowance for the role of senior team member. After further consideration, council accepted this offer.

Mr McDonald asked council if the proposals on internalisation of building & plant work could now be moved to local level discussions. Council continued to express their disappointment over the team leader roles but accepted it was now appropriate to move these roles to local level.