

Deal or No Deal. Offer or no offer?

After industrial action is called by any union, it becomes incredibly difficult to identify truth amidst a mass of confusing company threats, propaganda and general "Daily Mail" hysterical headlines.

We will do our best to keep you informed as best we can; we know it's difficult and worrying for every single one of us and we will try to reassure and keep you as up to date as we can.

A lot has been made of the much vaunted last minute "offer" that was on and then off.

We have made it available in full for you as a reference, with Unites concerns under each heading - please also compare it to our offer that was rejected by BA.

In our opinion, it was far from a good offer, some nice words but not much substance.

Nonetheless the less it is still an offer, we would have highlighted to you the reasons why we could not, in all good faith, recommend, the obvious dangers you will face it but would have still put it forward for your consideration, as ultimately we are your union and it always remains your choice to call off industrial action. Given the limited time available, this would have to have taken the form of an online ballot and a possible branch meeting, as Amicus section are not currently equipped at this point to undertake on line ballots.

As you know at the moment, that is no longer relevant as it has been permanently withdrawn by Mr Walsh but its still important you know exactly what it was.

The Way Forward - British Airways formal offer

This formal offer made by British Airways to Unite the union has been produced under the auspices of the TUC. The document embodies a number of vitally important commitments, which apply to both parties.

1. **Shared objective** - Both the company and the union share the common goals of ensuring a strong and successful future for the company and the highest possible level of service to its customers, delivered by employees enjoying the best possible terms and conditions. The company fully recognises, values and respects the talent and experience of its current cabin crew.

Unite: No Issue

2. **Competitive cost base** - Both parties acknowledge the need for change to establish a competitive cost base for the future of the company to be secured. It is also acknowledged that both the extent and nature of the change within the company has given all parties a number of concerns that need to be addressed.

Unite: This is clearly not about 'saving the Company' during an economic down turn or a communal belt tightening exercise it is not just an opportunist cost saving. It is specifically aimed at the permanent -long-term -complete restructuring of cabin crew costs to a level comparable with low cost operators.

No other area has been set a target even remotely approaching our targets, we offer a 2.6% paycut and more and it is derided, the pilots offer the same and are applauded.

3. **Working together** - In this offer the union and the company commit to work together to allay these concerns and to rebuild the trust damaged by the recent dispute, in order to lay the foundations for a new positive industrial relations environment to make the company a great place to work.

Unite: Actions must speak louder than words - In flight service has become not a particularly nice place to work.

It is now open season on cabin crew. Anyone that disagrees even slightly from the official BA line now suffers a completely heavy handed and disproportionate outcome.

At the same time as we receive patronising statements, saying how much 'we are valued'.

Really????... Then please, start acting like it!

British Airways has stated they will thoroughly investigate all acts of bullying and harassment. Go talk to most crew British Airways - the people they feel most bullied by is you!

By accepting this document you could be consigning 36 of your colleagues, who have been suspended on charges largely of 'having a different opinion', one step nearer to dismissal. Maybe its easy to close your eyes and to not care about them. Well we need to and so do you, because if you don't look after others, then nobody will look after you.

How would you feel if you were in their position? They deserve and will get our full support. That's a basic fundamental of belonging to a trade union.

...Breaching of agreements, constant bullying and an atmosphere of harassment are not the building blocks of working together.

4. **Productivity Target** - Both parties agree to deliver the annual company target of £62.5 million per annum of permanent structural change.

Unite: We would be committing to provide this level of cost cutting for ever more, on an annual basis, even when profitability returns.

5. **Pay** - The company has offered a 3 year pay deal effective from 1/2/2010 as follows.
 - Year one 2010/11 current pay scales will be maintained.
 - Year two 2011/12 the company will increase pay based on December 2010 RPI and capped at 4%.
 - Year three 2012/13 the company will increase pay based on December 2011 RPI and capped at 4%.

Unite: Effectively no pay increase in real terms as the offer is only RPI i.e. the rate of inflation so in real terms your pay would not go up for the next 3 years.

6. **Incremental pay** - Incremental increases will continue to be applied.

Unite: It is simply an attempt to con you by even including this. You get this increase anyway as it is a contractual right. It is similar to stating you will be provided with a hotel room whilst down-route, as a new benefit.

7. **Bonus** - The company will pay a non pensionable lump sum bonus worth 2% of basic pay for each of the next three years, paid in year three. This will be payable if the company achieves a 6% operating margin, customer satisfaction and punctuality targets in each year, increasing to a 4% lump sum bonus for a 10% operating margin.

Unite: This is either an admission that we will be returning to healthy profitability very soon so don't need this level of cost cutting, or has been set at a completely un-realistic level and will never be paid. Profits would need to be in excess of £600 million to be triggered.

8. **Complements** - The company will re-introduce a level of complement equivalent to a total of 184 full time crew into Euro Fleet and World Wide, the distribution of which will be determined by the company. This will be reviewed each season in line with commercial need. Any new recruitment to facilitate complement changes will be into the new fleet.

The level of flying remaining in Worldwide and Eurofleet will be determined by the number of flights which can be covered with existing crew and complement levels.

To enable the reintroduction of complements, further savings have been jointly identified;

- Removal of early day report from World Wide
- Removal of telephone allowance from World Wide and Euro Fleet
- Removal of language allowance from all fleets
- Non flying variable pay maintained at current levels
- Crew meals aligned to world traveller specification
- Overseas meal allowances maintained at current levels

Complements remain non-contractual.

Unite:

- **Partial Crew Compliments**
Allocation is to be set by British Airways management.

Only 184 crew are being put back on board, compared to the 1047 that were removed after imposition.
- **LGW PSR**
The LGW purser has not been returned onboard the 777 aircraft.
- **Level of Flying**
This is the mechanism preferred by British Airways, without any guarantees that will facilitate which of your current routes and or trips will be removed from the current fleet network to create and grow new fleet.
- **Remove Early Day Report**
This would mean reporting at 06:01 after MBT and or Leave for any duty.
- **Remove Telephone Allowance**
Self explanatory.
- **Non Flying Variable Pay Maintained**
If this wording were accepted this could mean all variable pay will not increase moving forward - forever? They may have not meant it to mean this but with no explanation, we can only judge the words as they are presented
- **Downgrade of Crew Meals**
Self-explanatory
- **Overseas Allowances Maintained**
If this wording were accepted it could mean that all meal allowances paid will not increase moving forward - forever? They may have not meant it to mean this but with no explanation, we can only judge the words as they are presented.
- **Complements -Non Contractual**
Still outstanding and subject of an appeal by your union to the Court of Appeal. By accepting this you will accept that the crewing levels are non contractual and the outcome of that appeal would be invalid.

9. **New Fleet** - There will be a separate mixed flying fleet for new crew, with separate terms and conditions and bargaining rights for Unite. There will be a separate negotiating body for new fleet, which will not discuss the terms and conditions of current crew.

UNITE: *Our current dispute is over the imposition of crewing levels and related issues. However the British Airways offer to settle the dispute also contained proposals regarding New Fleet and so we comment on those proposals and the subject of New Fleet generally which we know is of concern to you.*

If introduced, how would new fleet grow?

If you had accepted their proposal, from this point onwards, natural wastage would have been the mechanism to grow New Fleet.

For every person that leaves British Airways from ALL current fleets, for what ever reason during each season (including retirement, taking part time etc, or even death - the rates of which would probably increase!), a replacement would then be recruited directly into new fleet.

There will be NO more recruitment into existing fleets. Therefore, as the numbers of crew in your fleet reduce, it has two main effects. Work and routes dwindle away, season by season, as routes are moved one by one directly into the new fleet in direct proportion to wastage, and, the requirement for promotion on existing fleets will largely disappear.

What would New fleet look like?

- *New Fleet will exist as a totally separate fleet to all existing fleets*
- *New Fleet will have its own base of aircraft*
- *New Fleet will have its own routes - both long and shorthaul*
- *New Fleet will operate to reduced crew complements*
- *Routes will be transferred across from existing LHR fleets as soon as BA can crew them*
- *Aircraft required for New Fleet will be taken from existing LHR Fleets*
- *New Fleet will receive all new future aircraft that BA acquire*
- *New Fleet will have its own negotiating body*
- *Cabin Crew on New Fleet will have separate terms and conditions*
- *Cabin Crew on New Fleet will work to basic Scheme*

- Cabin Crew on New Fleet will have no flying agreements
- Cabin Crew on New Fleet will have minimum rest at base and downroute
- Cabin Crew on New Fleet will have scheme minimum days off i.e. one day in seven off. Including time off down route, no double nights
- Cabin Crew on New Fleet will have minimum statutory annual leave
- Cabin Crew on New Fleet will stay in minimum spec Hotel, probably at the Airport
- Cabin Crew on New Fleet will have NO seniority and no bidding for working positions
- Cabin Crew on New Fleet will have achievement linked - performance related pay
- Cabin Crew on New Fleet will have their "performance" determined by their manager before this is paid
- Cabin crew on new fleet will have no annual increases based on length of service increments, they will receive only a flat rate of pay
- "Performance" will be determined on factors such as sickness, general attendance, customer satisfaction, punctuality, uniform standards etc.
- Flying allowances will be based upon an hourly rate resembling LGW
- LGW hourly rate is now taxed at 65%
- There will be no other variable payments
- Basic pay will equate to market rate plus 10% - This is expected to be around GBP11,000 for main crew and GBP20,000 for the single supervisor
- Promotion to single supervisor will be merit based and available for all external applicants both within and outside the company
- There will only be one paid grade of supervisor on all aircraft both long and short haul
- There will be rostered GROUND duties
- There will be no redeployment agreement for any New Fleet crew
- All future recruitment will be in to New Fleet ONLY
- There will be NO TRANSFER RIGHTS for existing Cabin Crew at LHR or LGW in to New Fleet
- Gatwick Cabin Crew may no longer transfer in to existing LHR Fleets
- New Fleet contracts will contain the bare minimum of employment protections
- New Fleet employee policies will be based upon a minimum statutory code of practice (including discipline, grievance, sickness, maternity and special leave)
- Staff Travel policy for New Fleet crew is yet to be determined (Remember: No Seniority)

Consider that carefully and think how long you are going to last in your current role on your current fleet, without the proper protections we have sought?

10. Commitments for existing crew - Alongside the introduction of new fleet, the company has confirmed the following commitments to existing crew;

Terms and Conditions for Current Crew - A fundamental principle of this offer is that crew will have a firm commitment from British Airways in respect to their terms of employment. Current crew can feel assured that their existing contractual terms will be maintained for the future unless amended through the agreed NSP negotiating procedures.

Access to route network - It is the company's intention to ensure a fair and transparent distribution of routes to all fleets. Both parties have agreed to explore the feasibility of a new Monthly Duty Payment (MDP) to replace existing variable allowances. This new MDP will be the subject of negotiation between the parties and will include the principle of rewarding 'intensity of work'. If agreement is reached, its operation will form part of the TUC review (see paragraph 16 Assurances).

Access to aircraft type - It is the company's intention to deploy new aircraft based on commercial need across existing and new fleets. New aircraft will be introduced on a fair and transparent basis across all the company's fleets. Existing crew terms, conditions and fleet agreements will apply when new aircraft are operated on existing fleets. As new aircraft are introduced across all of the company's fleets, crew will be trained in order to receive the necessary licenses as required by regulation.

Career structure and opportunities for current crew - The career structure for current crew within current fleets will continue on the basis of existing practice, unless amended through the agreed NSP negotiating procedures. The company confirm that where there are opportunities available, existing crew will be promoted on existing terms and conditions on current fleets.

Honouring current and future agreements - During these talks both parties have discussed current and future agreements. This document intends to reinforce both BA and Unite's commitment to honour and apply these agreements. Unite continue to be recognised for collective bargaining for current crew's terms and conditions on existing fleets. Both parties accept the importance of honouring

agreements and are committed to treating each other with respect, in order to create a climate of good industrial relations. In particular, the implementation and operation of this offer will be reviewed - with the support of the TUC - after a period of six months.

Ability to transfer fleet/base on current terms and conditions - As with the current process, there is no guarantee of achieving a transfer. However, both parties have committed to continue with the current practice of transfers at Heathrow between Eurofleet and Worldwide, and to find a mechanism to aid limited transfers from Gatwick under current terms and conditions.

Part-time - The company will continue to honour commitments to make part-time offers to all crew on existing lists by March 2011. The offer will be on existing fleets, terms and conditions.

UNITE:

Access to Route Network

Clever use of words, British Airways focus is purely on your "contractual terms" and do not recognise your scheduling/flying agreements etc. We wanted an agreed matrix/mechanism on how routes are taken from our fleets. British Airways have stated that they will simply decide how and when THEY will do the transfer of routes.

The MDP is an obvious ploy to distract you from the loss of your routes and destinations. You could be left with the worst of the mix. For example we will do ATL/ATL back to backs and night stops, with no payment, while New Fleet will do all the long range and JFK back to backs.

By accepting a MDP, you will be settling for the following;

Worldwide:

- *No Box payment*
- *No B2B payment*
- *No Destination Payments*
- *No ETP (for delays on A/C and buses etc)*
- *No Diversion Payments*
- *No One Down Payments*

Eurofleet:

- *No ETP (for delays on A/C and buses etc)*
- *No STR*
- *No LDP*
- *No Early Report*

Access to Aircraft Type

Secure access for current crew on new aircraft types to ensure we are not left to simply wither on the vine... on an ageing fleet of old, broken, ill maintained aircraft. If British Airways wants to allocate all new A/C on a commercial cost basis, we all know exactly where that will be....New Fleet.

Career Structure and Opportunities for Current Crew

We wanted a confirmed access to the existing ranks of PSR, CSD and CM. British Airways does not commit to the working detail of this arrangement. Natural wastage will be used to grow New fleet, so how can there be continued promotion on current fleets? This remains unanswered.

Honouring Current and Future Agreements

We wanted this agreement, all your current agreements and all future agreements to be contractual and binding - British Airways refused.

We wanted as a safeguard for these agreements to be lodged with the TUC as a public statement of their intent to honour them. Once again British Airways declined.

British Airways has repeatedly broken our current agreements i.e. Disruption, Ops and Choice, call back days, crewing levels, trialling, schedules and have completely undermined the LGW MOA with the London City and Maldives itineraries.

Instead of a solid agreement they require you to rely simply on words on a piece of paper

Ability to Transfer Fleet and Base

We wanted the ops and choice agreement to be honoured, offering transfers for all current fleets on current terms and conditions. Accepting the British Airways offer would end that agreement and choice.

Part-time

The ending of the ops and choice agreement that allocates part time from the part time list. The company will only commit to honouring part time on existing terms and conditions until March 2011.

11. Future Industrial Relations - Following the conclusion of this offer both parties are committed to entering into a process of working together constructively with a mutually agreed independent third party.

UNITE: No issues

12. IR Framework - Both parties commit to establishing a new industrial relations framework for Cabin Crew within eight weeks of concluding this offer. If agreement isn't reached, the ACAS code of practice will be implemented

UNITE: Alongside introducing a new fleet, this is the other biggest hidden threat within the document. This spells the end of Trade unionism within cabin crew by stripping away all of your negotiating rights that have been in place for fifty years and helped secure you the agreements and payments you currently enjoy. A threat to replace them with the basic minimum legal requirements would be a huge backward step.

13. Disruption Agreement - In order to minimise the impact of disruption to our customers and our crew, the following points will remain, or be incorporated into the Disruption Agreement:

The definition of disruption remains unchanged.

The double night will be removed for Worldwide diverted inbound services to anywhere in the UK and Europe, and a minimum of 15 hours off-duty will be achieved if the aircraft is unable to continue to its original destination.

When disruption takes place the IFCE management team will advise Duty representatives and crew colleagues when and how the disruption agreement has been applied. A review will take place of any disruption at the next joint meeting

UNITE: *BA will take control of this agreement and will use it without payment and as and when they feel inclined for even the most minor issue. Examples being: crew shortages that are a result of poor planning and leaves on the runway, and not the major issues like severe weather, ATC failures or SARS pandemics*

14. Changes to BA Forum and corporate policies - Potential changes to corporate policies that apply to all colleagues across the company and covered at the BA Forum and EPC have been subject to discussion. Both parties commit to concluding these discussions within one month of completing this offer.

UNITE: *Reducing the levels of appeals for disciplinary procedures, poor performance issues and individual grievances. The British Airways offer includes very limited short-term protection under the reviewed redeployment and career-link policy.*

Where is the assurance that these proposed changes will not be imposed?

15. Status of the offer - This offer maintains the contractual rights of cabin crew at their current level. The offer does not reduce or extend them from where they are today.

UNITE: *No issues*

16. Assurances - In the event that either party has concerns about the interpretation, implementation and/or operation of this offer, and in the event of any such matters not being able to be resolved after exhausting procedures, the TUC will be asked to convene further discussions between the parties with the remit of assisting on unresolved points. Such meetings may be called by either party and will be convened within seven days.

UNITE: *In addition to the meetings being convened in seven days, we would require resolution within 7 days. BA removed this recommendation*

Bottom line? All we can do is point out in good faith the potential pitfalls; that's our role. If this offer becomes available again at any point, it will be your choice whether you chose to accept it.

If you do, we will of course respect your wishes, but the responsibility for what that could mean in the future, must rest with you.