



**TSSA CLAIM FOR  
IMPROVEMENTS TO PAY  
AND CONDITIONS**

**Transport Salaried Staffs' Association**

**Claim for Improvements to Pay and Conditions of Service for Amey Rail Staff  
(including all staff covered by TSSA collective bargaining agreements)**

**Anniversary date: 1<sup>st</sup> March 2023**

**Date of submission: 7<sup>th</sup> March 2023**

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## 1) INTRODUCTION

This document sets out TSSA's formal claim for improvements to rates of pay and various other conditions of service and for a No Compulsory Redundancy Agreement for staff employed by Amey in respect of the forthcoming negotiations.

As in previous years, we have used a survey of all TSSA members employed by Amey Rail to inform our claim, identifying members' priorities, experiences and expectations. Our elected representatives have used the survey data in conjunction with union policy to produce this document on behalf of TSSA.

With effect from the pay anniversary date (1<sup>st</sup> March 2023) TSSA is seeking a substantial increase in the basic rates of pay and other allowances that will lead to a material improvement in the standard of living of our members, including addressing any problems of low pay within the organisation.

In addition to this central element, we ask for Amey to meet TSSA members' aspirations in the following areas:

- A continuation of the commitment to no compulsory redundancies;
- Improved working time policies, including improved overtime enhancements and a reduction in the working week;
- Continued review of company policies and procedures; and
- A review of the Amey pension schemes.

### Amey Rail performance

Despite the challenge of the COVID-19 pandemic, and thanks to the dedication of employees during and after lockdowns, Amey made a healthy profit of £243 million in 2021 and its financial and commercial prospects are good. The recent purchase of Amey by OEP and Buckthorn is described as "bringing stability and supportive investment" and shows that Amey remains an attractive business to investors.

According to the Amey Rail Annual Report and Financial Statements for the Year Ended 31 December 2021, "The transaction represents an enterprise value of £400 million and an estimated equity value of approximately £245 million".

TSSA welcomes the plans for growth promoted by OEP and Buckthorn, who have emphasised that employees are the most important aspect of Amey in the public communications relating to the takeover.

### Economic outlook

Despite good company performance, our members are squeezed by an increasingly high cost of living, in particular rising energy, food, rent and mortgage costs.

According to the Office of Budget Responsibility (OBR) in their latest Economic and Fiscal Outlook, published on 23<sup>rd</sup> November 2022:

In the UK, CPI inflation is set to peak at a 40-year high of 11 per cent in the current quarter, and the peak would have been a further 2½ percentage points higher without the energy price guarantee (EPG) limiting a typical



household's annualised energy bill to £2,500 this winter and £3,000 next winter. Rising prices erode real wages and reduce living standards by 7 per cent in total over the two financial years to 2023-24 (wiping out the previous eight years' growth), despite over £100 billion of additional government support.

The OBR's report states that real household disposable income [RHDI] has now fallen to 2013-14 values. Household disposable income will be further hit when the UK Government's Energy Grant payments come to an end in March 2023 - just in time for the Price Guarantee to rise by £500 to £3,000 a year.

### **Outcome of the pay claim**

TSSA is therefore looking to Amey to respond to our claim positively in a manner that will help improve our members' standards of living and their quality of life.

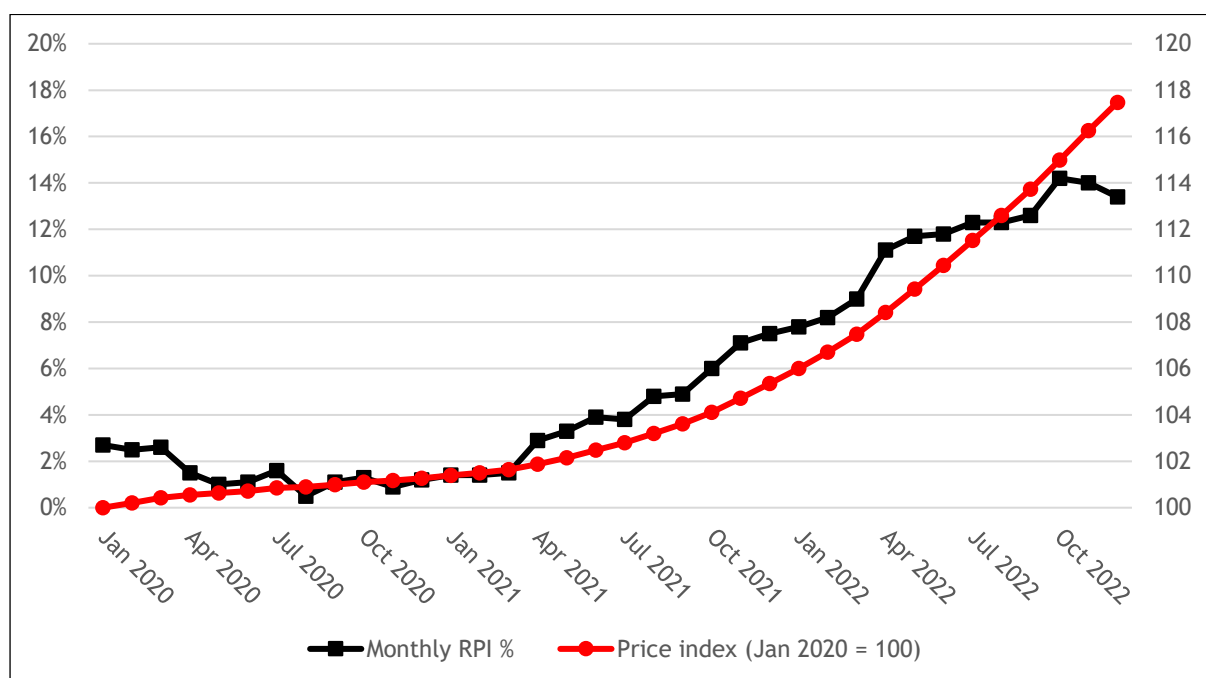
In doing so, we consider that the company will benefit from a more highly motivated and productive workforce who feel properly rewarded and valued, especially at this highly uncertain time. Amey also has an opportunity to show commitment to positive and cooperative industrial relations under its new ownership and to set the tone for future negotiations.

## 2) CLAIM FOR A SUBSTANTIAL INCREASE IN THE BASIC RATES OF PAY AND OTHER ALLOWANCES THAT WILL LEAD TO A MATERIAL IMPROVEMENT IN THE STANDARD OF LIVING OF OUR MEMBERS

We are looking for an increase that takes account of the annual increase in the Retail Prices Index (RPI) and the performance of Amey. Any offer or increase below the level of the RPI, TSSA regards as a real terms pay cut because it will reduce the purchasing power of our members' pay.

### Inflation

The graph below shows the movement of the RPI, and the normalised cost of living, since the beginning of 2020.



Although inflation (black line) peaked in October 2022, prices (red line) are still rising rapidly. The overall cost of living as measured by the RPI increased by 11.5% in the year to December 2022 and maintained a rate of 13.4% in December 2022 and January 2023, the reference figure normally used by Amey in annual pay negotiations.

According to the UK Government's latest House Price Index (HPI), the average price to buy a house rose by 9.5% in the year to September 2022. Rents have risen even faster: according to the Home to Let Index, the average cost of renting a home increased by 11.1% in the year to November 2022.

Interest rates and therefore mortgage rates also continue to increase. Starting in December 2021, the Bank of England has increased rates ten times from 0.1% to 4.0% and future increases are likely.



## Pay at Amey

Since the start of collective bargaining between TSSA and Amey, we have sought to match pay to inflation so employees do not suffer real terms pay cuts. Up to the 2021 pay settlement this was broadly maintained.

However, the initial offer by Amey management in 2022 centred on a 4.21% nominal pay rise - a real terms pay cut of 6.55%. Our members recognised that this would be a serious detriment and supported our elected representatives negotiating for a better pay deal. The final deal included a nominal increase of 6% and an increased underpin, which was a significant improvement on the original but only matched inflation for the lowest paid staff.

Discussions with Amey employees revealed that last year many were barely able to cover the basic costs of food and shelter. In TSSA's January 2023 survey, members wrote that

“wages aren't meeting the demands”;  
“we all have struggled for long enough”; and  
“People can't work to their best ability (and safety can be compromised) if they are constantly pre-occupied with their financial situation.”

Many were also unhappy with the long time taken to reach the 2022 agreement and described “month to month living” in the intervening time.

Headline pay remains the top priority for Amey employees. This year more than five out of every six said that it was important enough to take industrial action over, and last year members showed their preparedness to take this kind of action.

We aim to reach an inflation-matching deal quickly so that our members' needs are met.

### **3) CLAIM FOR A NO COMPULSORY REDUNDANCY AGREEMENT**

Across the wider industry, TSSA members are facing the potential for large scale job losses as a result of the Government's demand for cuts in its support for rail. A no compulsory redundancy agreement is in place until 1<sup>st</sup> June 2023 and we want to see that continue during this time of job losses.

Because Amey is insulated from the economic pressures facing employers whose pre-pandemic revenues were directly linked to income from passenger fares, committing to no compulsory redundancies for the duration of the next pay round is arguably less contentious. However, our union's executive has made clear that all members deserve a commitment to provide job security, whether they are employed by a TOC, NR, or a principal contractor such as Amey.

We want to make it clear that as well as pay issues, the union views the issue of no compulsory redundancies as a core demand, and the great majority of TSSA members at Amey have said they would support industrial action to defend their job security.

A firm commitment that our members' jobs are secure will help to maintain positive industrial relations, staff morale, and avoid the prospect of Amey employees being subject to ballots for industrial action over job security in 2023.

### **4) CLAIM FOR IMPROVEMENTS TO WORKING TIME POLICY**

#### **A reduction in the working week**

The great majority of TSSA members at Amey support a shorter working week. Workplace studies in the UK, Japan, and elsewhere show that shorter working hours reduce employee fatigue and can measurably increase productivity.

TSSA's long-held objective is for a reduction in the working week to a maximum of 35 hours in a 5-day working week. In order to achieve this, the Association is willing to participate in a Joint Working Party to discuss real working time reductions linked to higher investment, improved training and skills and new patterns of work including flexible or compressed hours.

At the time of submission, the results of the UK's four-day week pilot, representing the world's largest trial have been published. This brought widespread attention to the study's "resounding success", with 91% of the 61 participating employers pledging to continue to operate four day working weeks without any loss in pay for employees. The study found that a variety of tailored approaches were used, all of which delivered a "meaningful reduction in working time" while "pay was maintained at 100%". These resulted in revenues increasing by 1.4% on average, improvements in staff retention, reduced fatigue, improved work-life balance and



more support for care responsibilities  
(<https://autonomy.work/portfolio/uk4dwpilotresults/>).

TSSA Representatives would also welcome proposals for Amey to work with reps to explore how the company can join other progressive employers in exploring the potential benefits of a four-day working week.

### **Improved overtime pay**

Amey employees work with a range of contractual terms regarding overtime rates and enhancements which causes confusion and disharmony within the business.

Changes to NR's lineside access policies are likely to require more weekday night and weekend shifts to maintain productivity and fulfil Amey's contractual obligations. More attractive terms for these shifts will improve employee engagement and retention for teams working on or near the line.



## **5) CLAIM FOR A REVIEW OF COMPANY POLICIES AND PROCEDURES, INCLUDING FLEXIBLE WORKING AND FAMILY FRIENDLY POLICIES IN LINE WITH BEST PRACTICE**

Members and reps have reported difficulties arising from inconsistent application of policies and procedures necessary to support colleagues at various stages in their career and in life.

Amey's history of seeking to introduce and amend group-wide policies and procedures without the collective consultation required by our collective bargaining agreements has created a labyrinth for members, union reps, local managers, and HR professionals to navigate.

Members have found accessing a clear and consistent position on matters as basic as calculating their paid maternity leave entitlements to be unnecessarily challenging, while access to training, professional development and accreditation have varied widely depending on the attitude of line managers and a variety of subjective factors.

TSSA members need access to modern, fit for purpose and fair company policies and procedures, which our representatives and managers can understand and which ensure that opportunities for support and development are available and applied fairly and reasonably.

We welcome Amey's previous commitments to review company policies but recognise that the protracted negotiations in 2022 hindered implementation. We propose that the company agree targets and timescales to review, discuss and improve policies and procedures, and work with the Association to achieve this within the collective bargaining machinery.

## **6) CLAIM FOR REVIEW OF COMPANY PENSION POLICY**

On deferred wages, Amey have failed to keep pace with other Rail employers. Network Rail and the Train Operating Companies continue to offer sustainable defined benefit (DB) pension arrangements with attractive employer contribution rates. These arrangements reward members' loyalty with a valuable incentive to build up pensionable service. Sections of the Railway Pension Scheme (RPS) and other DB arrangements remain open to new entrants, whereas Amey have a declining membership of DB schemes which are closed to new entrants. Amey continue to apply the lowest employer contribution rate permitted by law, with 3% employer contributions: the deferred equivalent of a National Minimum Wage.

We ask Amey to look carefully at providing a more attractive pension offering, with improved employer contribution rates and more attractive benefits as a means to reward long service and to aid staff retention.

## 7) CONCLUSION

The UK is in the grip of a cost of living crisis that means real disposable income is being eroded by high inflation outstripping wage and benefit increases, exacerbated by a pay freeze in many railway companies that has lasted since 2019. Beginning in late 2021, the crisis has been sustained through burgeoning fuel prices at the pump and a series of huge hikes in the cost of gas and electricity. The latter of these have received some Government assistance but even that has not overcome the doubling of prices before October 2022 or addressed the increase due from 2023. Many of these factors are flowing over into other price rises whilst members are conscious of the lost pay resulting from a late and below-inflation pay settlement last year.

The effect is that in common with other workers across the UK, the pay of TSSA members has simply not kept up with skyrocketing inflation, with the consequence of a reduced standard of living for all and a sense of worry and even desperation for many.

The long and sustained period of industrial action in many railway companies has expressed the frustration and anger felt by workers across the industry at a time when they see company profits up and a Government bent on cutting the ability to take industrial action rather than addressing the issues. Amey's late final offer in 2022 only narrowly averted industrial action at the company.

We believe that the company has a responsibility to protect and improve matters for its employees as the provider of our members' income in return for their work. TSSA is, therefore, looking for the company to respond constructively in a positive and timely manner to the various claims set out in this submission.

We consider that by addressing the standard of living, employment security and quality of life issues covered in this document, TSSA believes this will have a beneficial impact on the company's performance by creating a more highly motivated and productive workforce that at the same time is more representative of present-day Britain's diverse society. This will also help maintain and improve relations between the company, now under new ownership, and its employees.

We remain of the view that the workforce is the company's most important asset and contend that the improvements being sought are both reasonable, proportionate and a requirement for a progressive, forward-looking organisation that is fit for purpose.