

**DEVO-WORK:**  
**COLLECTIVE**  
**BARGAINING**  
**AND UNION**  
**RESPONSES**

# DEVO-WORK: COLLECTIVE BARGAINING AND UNION RESPONSES

MAY 2017

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## Editor

### **Becky Wright**, Director of Unions 21

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Previous to her post at Unions 21, Becky spent five years as the Director of the TUC's Organising Academy and was responsible for the development and delivering of the Academy's training programme for union organisers and officers. Following activity in local community and women's campaigns, in 2001, she joined the TSSA as an Academy Organiser and then went on to take national and regional organising projects for Prospect, NATFHE and ATL. Becky holds a BA(Hons) in Politics, an MRes as well as a Diploma in Education and has also studied Contemporary European Labour Studies at Masters level at the Universiteit van Amsterdam.

### **Unions 21**

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Unions 21 exists to support unions to increase their influence, impact and effectiveness within the world of work. We will do this by working with unions, supporters and stakeholders to create an open space for research, innovation and activity to assist unions to secure a better life for working people. This paper is part of its work on Good Work.

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We would also like to thank Lizzie Dowd from the Royal College of Nursing for her assistance in the London Living Wage section.

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# INTRODUCTION

**Becky Wright**

**In his 1994 book, *Turning the Tide*, David Weil introduced unions to the concept of strategic choice theory and its use in union planning. A key concept in understanding the power and influence a union has could be found in the relationship between the external *leverage* and the internal *capacity*. One aspect of the leverage is the political and legislative mechanisms that unions operate in. The ability to gain, maintain or even lose power, is dependent on how a union can influence decisions within that body or affect law. With the introduction not only of parliaments in Scotland, Wales and Northern Ireland but also of rearrangement of local government in London and other parts of England, unions are now faced with more avenues to extend their leverage. Devolution is certainly opening up new avenues and possibilities for unions to engage with employers, workers and government but the creation of these new entities also puts internal pressure on unions' ability to gain successful and measureable outcomes.**

These external changes are bringing to the fore the ability of unions to respond and change in light of these new developments. Locally, public sector unions will have the day to day work of handling the transfer of members successfully to these new employers while also maintaining and extending union recognition. Private sector unions will be looking at how these new structures will either impinge or support any local organising attempts. Nationally, the emergence of political mechanisms which is responsible for key public services linked to accountability raises questions about the longevity of national pay bargaining. While unions have seen off previous attempts to regionalise pay (such as the South West), the nature of deals in areas such as Greater Manchester pose a tricky question – if we are actively engaged in the way a service is delivered locally, how long will it be before the question of the local bargaining of pay, pay scales and general terms and conditions are raised and not just by employers.

As with most circumstances, devolution offers unions challenge and possibility and this publication aims to give unions practical ideas for addressing the emergence of new political mechanisms. In the first instance, we look at how unions can address the possibility of the removal or the lack of national pay bargaining through the experience of ASLEF and the privatisation of British Rail. While this is an experience many have experienced over the last thirty years, the ASLEF example offers a clear learning outcome over how terms and conditions can be protected and even bettered under new arrangements. Scotland and the Fair Work Convention and Framework move us past the idea of charters and into frameworks, albeit without legislative backing, which can not only create a climate of good work but also offer unions launch pads to extend collective bargaining and recognition. Lastly, the London Living Wage and now the Foundation is part of an ever growing world of civil regulation of work. Where do unions fit into this and how can we learn from the idea of a badge for employers?

Our job at Unions 21 is not to tell unions what to do in the light of devolution and other external changes. Unions will make their own strategic choices based on their objectives and industrial circumstances. These case studies are by no means the final word in collective bargaining and organising. Rather, we believe that these examples offer unions a good basis with which to consider new avenues, approaches and positions.

# Creating your own national bargaining structure: ASLEF and its response to the privatisation of British Rail

Nicola Lee

**When he wrote about the future of trade unions in the 1990s, Robert Taylor was looking forward to situations similar to the ones unions find themselves in today. He took an optimistic view that the union movement would adapt to new industrial challenges and ways of working. He said “most of the time trade unions have had to function in adverse circumstances. They rose to maturity in response to a polarised and deregulated labour market very much like that which exists in Britain in the 1990s. Today they should draw comfort both from their past and from the current opportunities that are opening up for them. Britain’s trade unions remain adaptable and pragmatic enough to share the agenda and grow once more into the next century”.**

(Taylor, 1994, p233)

Devolution is yet another scenario that requires unions to adapt, and the ability to shift resources, and mutate structure to fit these new landscapes is very important. The new emphasis on Metro Mayors, and combined authorities within England as well as the Senedd in Wales, the Scottish Parliament in Edinburgh and Stormont in Northern Ireland pose a real challenge to unions – how can national pay bargaining exist or survive with the ever increasing march of devolved government? For public sector unions, this is an important aspect to the political changes. For private sector unions, how can unions respond to use mechanisms such as this to drive up employment standards? One answer may be the experience of ASLEF during rail privatisation. This section looks at the impact that privatisation had on the union, highlighting the steps that it took to operate in this different industrial landscape and how other unions can apply key approaches when faced with changes to national collective bargaining in the future

ASLEF has 21,000 train driver members employed in train operating companies, freight companies, London Underground and some Light Rapid Transport. It has been an independent union since 1880 and through its history has seen a variety of technological, sociological and industrial changes which have required it to constantly adapt.

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## Pre-privatisation

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The railways came under state ownership in 1948, with the operating arm British Rail (BR) controlled by the British Railways Board (BRB). By the time the Conservatives gained power in 1979, the organisational structure of the BRB’s railway operations still largely reflected that of the “Big Four” private railway companies, which had been merged to create British Railways over 30 years previously. There were five Regions (Scotland being a separate region), each region being formed of several Divisions, and each division of several Areas. There was some duplication of resources in this structure, and in the early 1980s, the divisional layer of management was abolished with its work being redistributed either upwards to the regions or downwards to the areas.

The industrial relations framework and internal union structure mirrored this structure. Under BR, all staff were covered by national level agreements that covered all aspects of employment other than rotas. So all drivers were on the same salary regardless of the routes they worked, wore the same uniforms, and attracted the same bonuses. Pay structures were based on a low basic rate supplemented by a plethora of allowances and bonuses which was felt to have “inhibited labour flexibility and recruitment” (Arrowsmith, 2003, p157). Negotiations were conducted between senior union officials, usually including the General Secretary, and BR senior management.

Every train depot had a union branch and branch representatives would handle individual member case work and negotiate on rota setting. Members elected by branches would attend Sectional Council meetings, supported by FTOs, also elected by the membership. FTOs were also responsible for organising, attended branch meetings in their area and gave reports to branches around the other regions. Each sectional council area then elected an Executive Committee member. The General Secretary and President roles were also directly elected from the rank and file membership. Under this level were “sectional councils”, consultative groups that oversaw the application of national agreements. Union lay members would attend these meetings that would also consider higher levels of grievances and appeals stages.

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## Privatisation

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While Margaret Thatcher’s Conservative government began to sell off various state-owned businesses, including various functions related to the railways, full privatisation of the railways did not start until 1994. Following the Railways Act 1993, the operations of the BRB were broken up and sold off, with various regulatory functions transferred to the newly created office of the Rail Regulator. Different companies owned different parts of the network, trains services (freight and passenger) and rolling stock. Over time, some franchises have been merged and contract lengths have been extended; additionally, under the devolution programme, other government bodies have been given input into franchise terms – the Scottish Government with ScotRail, the Welsh Government in Wales & Borders, as well as the Mayor of London and the various passenger transport executives for the services in their respective areas.

The process was very controversial at the time, and its success is hotly debated – with the claimed benefits including a reduced cost to the taxpayer, lower fares, improved customer service, and more investment. Opponents point to increasing government subsidy, higher fares and poor service delivery. Despite opposition from the Labour Party the process has never been reversed wholesale by any later government, and the system remains largely unaltered.

In the run up to privatisation the sector had started restructuring. Company Councils were created to handle bargaining in each of the numerous companies that were to run the rail service. In time these councils became responsible for **all** areas of employment including setting rotas, but, of course, only for their particular workforce.

*“a revised machinery of negotiation was introduced in 1992 which took negotiations away from the Executive Committee and the British Railways Board and placed it at a local business unit level. This replaced the geographically based command, top down structure that had been in place since 1955”*

Arguably privatisation was an attempt to decentralise collective bargaining and reassert managerial prerogative (Arrowsmith, 2003). Having more bargaining units meant that unions had to have more negotiators as the senior officials could not handle negotiations in each of the company councils and required them to consider their own internal structures.

In contrast to pre-privatisation times, workers were keen on achieving higher basic pay as this afforded them stability of income and higher pensionable pay. TUs sought to link pay and grading restructuring to reductions in working time and further enhancement to benefits. “Successful ballots for industrial action have usually provided sufficient leverage towards reaching agreement, given the additional penalties imposed by the regulator for service interruptions”

*e.g. Virgin – company wanted greater flexibility in workforce and a simplified pay structure. Union objectives were to get the best deal possible in terms of consolidated pay and more open career structures whilst ensuring safeguards around flexible deployment and preserving the safety role of guards... The principal outcomes were that the company obtained greater flexibility over staff scheduling and an integrated internal career structure with salaried status. The unions achieved improvements in benefits such as leave and pensions as well as enhanced pay” (Arrowsmith, 2003. P158)*

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## The response

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### The drivers' charter and internal change

ASLEF campaigned, lobbied and protested against privatisation and secured protection in law for railworkers' pensions and travel concessions even if they didn't stop privatisation from happening. Crucially they realised that privatisation offered an enhanced opportunity to assert their members' interests in multiple new bargaining units with new management negotiators. In 1995 they drew up their Drivers' Charter outlining their "wish list" which covered issues such as pay, working hours, job security and leave arrangements. This Charter has been amended many times since but still fulfils the same purpose – of being a check and balance for all agreements that are being discussed with any employer.

*"It was important to have a clear set of universal principles which would inform all the negotiations and drive pay and conditions upwards and protect future jobs" (Simon Weller, AGS ASLEF)*

One district organiser interviewed admitted that they have been able to exploit the privatised market, initially by being better prepared for negotiations than their less experienced management counterparts, and latterly by taking advantage of driver shortages and playing one company off against another. Arrowsmith (2003, p157) suggests that they sought to link pay and grading restructuring to reductions in working time and further enhancement to benefits, always informed by the charter, always seeking to deliver on those aims.

In order to make the charter work locally, the union had to restructure to reflect the changed industrial landscape. Key to this was the formation of the Company Council where the union meets management to discuss, debate and agree on all conditions of service. Reps to the Company Council are elected by membership as the next tier above local level reps. The Company Council does not replace the branch which is seen as the cornerstone of the union's organisation. All representatives – local, company council, H&S, District Organisers and EC – are obliged to report to the branches. The strength of these branches has been credited to their workplace location

rather than geographical area – although branch members may be employed by different companies.

ASLEF is divided into eight Districts, each of which has a full-time union employee as its Organiser (Also elected by the membership). The central aim of District Council meetings is to examine the policies and progress being made within the branches and ensure they comply with wider aims and objectives. Every branch elects a representative to attend District Council meetings.

An elected Executive Committee is responsible for creating and implementing policy, for all pay and agreements, traction and training, political contacts, affiliations and strategy – the whole range of the union's activities. These activities and priorities are established at the Annual Assembly of Delegates. ASLEF refers to this as its "parliament, the bed-rock of its democratic nature". Every branch has the right to propose policy changes and the opportunity to send a delegate to the event where the union's priorities are established and its work for the year is given direction.

### Taking advantage of a labour shortage

Labour shortage should not perhaps have been a surprise to the new train operators. Driver numbers were reduced in the run up to privatisation and as services expanded, more drivers were required. Added to this was the net outcome of negotiated shorter breaks, longer turns and an unpredictable infrastructure, which meant that more staff were needed to be available for cover. Whereas the uplift for spare drivers used to be .31 now it is .5. ASLEF exploited labour shortages and adopted a strategy of "pattern bargaining" across multiple Company Councils (Cumbers, MacKinnon and Shaw, 2010). Some commentators have suggested that the financial penalties imposed on train operating companies if services were disrupted by industrial action increased the union's leverage in negotiations (e.g. Arrowsmith, 2003).

ASLEF themselves, consider their response to privatisation to have been successful. They were able to negotiate concessions in the run up to changes, and used that time to prepare strategically as well as operationally, engaging with members and ensuring local concerns were taken on board. They have maintained membership density and been able to negotiate pay increases across all the new bargaining units.

*We are running 1,700 more trains per day since it was privatised. ... And today there are more members in the trade union, more train drivers, and more trains running. The reality is that it worked, we've protected jobs, and we got more jobs. (Interview with Lew Adams, Board Member, Strategic Rail Authority, UK November 26, 2004, cited on the Canadian Council for Public-Private Partnerships website)*

Privatisation created a new geography of industrial relations that required some union restructuring internally. They had to rethink their internal geographies and scalar relations to contest change at workplace level (Cumbers, MacKinnon and Shaw, 2010). It has been reported that long serving HR managers felt that privatisation provided a more positive context for industrial relations (Arrowsmith, 2003, p159)

The expansion of rail services post-privatisation coupled with the deliberate reduction in numbers immediately beforehand meant that both passenger and freight companies needed more drivers. Restricting overtime and discouraging members from working on their days off meant that ASLEF had a strong influence over labour supply.

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## Making it work

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### Use transitional periods to best effect and anticipating new arrangements

Be prepared in advance of the change and work to ensure consultative mechanisms are fit for purpose at an early stage. Anticipate adverse changes and seek protections in advance as much as possible or trade off changes where it isn't possible.

### Importance of strong branch structure organised by workplace

Delegation of bargaining can strengthen branches as more members become active in dealing with issues locally. The move over to local bargaining has been seen to increase the relevance of unions. Evidence from rail privatisation in Australia posits that it livened up union membership; it "brought us back to life. It has made us very relevant to our membership" (quote in Barton and Fairbrother, 2007). Robust communication channels are needed between membership and the Executive Committee. This two way communication can enable strong engagement and a feeling of democracy.

### Universal principles are important

Clarity of purpose and message allows all opportunities to further multiple bargaining aims, exploiting any situation to achieve a deal. Developing bargaining aims from the membership up helps to gain widespread support and traction. Members are clear what their union stands for.

### Control of labour supply

Use any labour shortage to an advantage. This may be harder in some sectors than others. However, where TUs do have the ability to control and restrict labour supply, this will give them valuable leverage in negotiations.

# MORE THAN A CHARTER? SCOTLAND AND THE FAIR WORK CONVENTION/FRAMWORK

Steven Littlewood

*“The labour market is the beating heart of our economy and Government, employers, employees and trade unions must work together to ensure it remains healthy, strong and resilient now and in the future. [The Fair Work Framework] is an approach supported by a growing body of evidence which shows that countries with more equal societies typically enjoy stronger, more sustainable growth over the long run”. (Jamie Hepburn MSP, Minister for Employability and Training (SNP))*

Rather than setting out what specific powers would be devolved to the Scottish Government, The Scotland Act 1998 specified powers that would not be devolved. While Scotland already has a legal framework separate to England and Wales, industrial relations legislation was one of those areas that remained ‘reserved business’ to Westminster. Scotland continues to be governed by the Trade Union and Labour Relations (Consolidation) Act 1992 and other legislation, as well as accumulated UK employment case law.

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## Devolution in Scotland

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Before its eventual introduction in 1998, Scottish devolution had long been a topic of political controversy. Since the Union of the Crowns in 1707 there have been groups calling for Scottish home rule, but the most recent popular push began in the 1960s with a number of surprise victories for nationalist politicians in Wales and Scotland, and the Wilson Government’s Kilbrandon Commission, which reported in 1973 on possible options for devolution to the home nations. A referendum on Scottish Devolution in 1979 won a majority ‘yes’ vote, but failed to meet the required turnout threshold to be effective, and devolution was killed off soon after as a live possibility with the election of a majority Conservative government that held power for 18 years and was hostile to the concept. However, the idea gradually gained more popularity on the Labour benches, and the New Labour government was elected in 1997 with a commitment to a referendum on Scottish devolution, and supported a ‘yes’ vote along with the Liberal democrats, SNP and Scottish Greens. Three-quarters of Scottish voters approved the creation of the Scottish Parliament and Scottish Executive (later Scottish Government), and two-thirds elected to give the new administration tax-raising powers.

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## The Framework/Convention

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Despite these limitations, the trade union movement in Scotland sought to develop a framework of union engagement with the Scottish Government resulting in the Labour/ Liberal Democrat coalition that was elected in 1999 beginning talks for a Memorandum of Understanding (MoU). The MoU was eventually signed in 2002 which formalised the relationship between the STUC and SG. It contained aspects such as meetings and working together. For example, it was established that the STUC General Secretary would meet twice a year with the First Minister and Cabinet and twice a year with the Permanent Secretary. At these meetings, shared priorities would be identified and agreement reached on how the union movement and SG could work together.

The early MoUs were focussed on exercising ‘soft’ power to influence the SG through regular engagement, and to concentrate not only on industrial relations issues, but to pick wider issues affecting union members generally. Some of this was a recognition of the legislative limits of the SG in the area of industrial relations and a decision to prioritise what was within its jurisdiction, but there was also a reluctance from employers and the CBI to engage in a social partnership process perceived as interfering in their business.

However, the most recent and comprehensive incarnation of the MoU has been the Fair Work Convention. The convention is a tripartite concordat which aims to support the Scottish Government's objectives of improving growth and reducing inequality by promoting workplace practices which foster "innovation, diversity and equality in a way that understands the challenges business (and employees) face." It acts as a vehicle for dialogue between employers, employees and trade unions, public bodies and the Scottish Government and claims in its vision statement: "that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society." In order to do this, the Convention gives advice on:

- Progressive workplace policies which improve productivity and innovation
- Promoting greater workplace democracy, employee voice and commitment
- Better opportunities for employee development, skills development and lifelong learning
- Best practice in industrial relations to encourage constructive dialogue in a range of different sectors and workplaces
- Enhanced discussions between unions, employers, public bodies and Government departments
- Potential extension of collective and sectoral bargaining in Scotland
- Increased focus on workplace equality issues across the private, public and third sectors
- The Living Wage and other aspects of fair remuneration

The Fair Work Framework has come from the Convention and has been designed to guide everyday practice at work by focusing on five themes: effective voice; opportunity; security; fulfilment; and respect. In future, the intended evolution of the framework will be to have specific measures, targets and timings for Scotland. This includes:

- using public procurement and consumer pressure more widely to promote fair work;
- introducing role models and ambassadors to promote good practice;

- sharing information (using the convention to signpost people to good practice);
- having a benchmark which employees, employers and unions can benchmark themselves against (rather than having an accreditation scheme);
- promoting and advocacy of fair work by different parties involved in the agenda (from government and media to businesses, unions and campaigners).

As a concept, the FWC presents opportunities for unions to actively engage with policy-making, and for trade union voices to advocate worker's right at the heart of government. The FWC's focus on quality work, its emphasis on employee as well as employer interests, and especially its recognition of the role of trade unions as a social partner are very different from what we have seen at Westminster in recent years, and it is no wonder that unions in Scotland have been keen to pick up and develop this more constructive approach from the SG.

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### **In practice – enforcement and extension**

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It is clear that the Scottish Government is confident of the ability of the FWC and the framework as a mechanism to influence and improve working practices in Scotland without a legislative underpinning. However, the experience of unions using the framework has been mixed, citing the lack of legislative underpinning as well as the SG's lack of commitment to aspects such as public procurement. The GMB's Senior Organiser for Scotland, Drew Duffy talks of his union's experience of organising in the private sector:

*"The FWC has not allowed us to secure access to non union workplaces. While it talks about collective bargaining there is nothing about how we can get the access required to speak to non members. All the 'aims' of this framework can be achieved through good old fashioned union negotiating/collective bargaining and organising in the workplace."*

Unions have also noted some of the practical difficulties in enforcing the influence of the Scottish Government on companies seeking procurement contracts. As noted above, the Scottish Government

has promoted its work in using procurement to champion fair work, as part of the FWC, declaring that: “Through our public contracts we will continue to encourage public bodies to promote fair working practices for those who work on public contracts.” Yet, the experience of some unions does not tally with this. For example, the GMB highlight that there are companies who have won a number of Scottish Government contracts and refused to recognise any union and have even replaced staff with agency workers.

This lack of enforceability and legal underpinning in the FWC and has been criticised by Professor Gregor Gall who has said:

*“I strongly believe that statutory underpinning is necessary as the experience of the last twenty years of cajoling and encouraging employers to ‘do the right’ in terms of either ‘the business case’ or ‘moral indignation’ leads many to avoid having to do it... Alongside a statutory underpinning there needs to be a series of other measures such as changes in culture and consciousness as well as strong enforcement measures – with punitive measures being available.”*

There seems to be little prospect of a more formal tripartite agreement with accompanying statutory enforcement measures, not least because of resistance from employers. However, there are signs that public sector unions in Scotland are seeking to use their leverage to tighten up procurement rules and their application. These unions are currently engaged in a negotiation with the SG to entrench the FWC principles in a collective agreement with concrete, sector-wide proposals including mandatory principles around procurement such as refusing to award contracts to blacklisting and anti-union firms.

As with most initiatives in the industrial relations realm, the FWC and the FWF are not perfect and unions are required to employ a variety of techniques but the framework is a useful tool for unions to push for in new political geographies. So, how can the framework move forward and what lessons can be learnt for unions across the UK when dealing new landscapes?

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## Making it work

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### The power of public sector unions to help private sector unions will be key

Part of the strategy for private sector unions using the FWC to build capacity may depend on an active engagement and cooperation with their public sector counterparts in holding the Scottish Government account to its admirable stated aims. Unions cannot hope to win through devolution by passively wishing for the enforcement of rules around fairness, they must actively enforce it themselves by exploring their best areas of leverage and working together across sectors to exploit sources of power and influence.

### Taking advantage of local conditions

As Gregor Gall notes the power of culture and consciousness may be a tool in winning better outcomes from devolution. ONS statistics show that in Scotland real wages have consistently performed better than in the rest of the UK, with a 0.5% fall in the last ten years compared with a 5.2% fall in the UK as a whole. Similarly, inequality has remained static in Scotland over the past twenty years while in the UK as a whole it has increased.<sup>1</sup>

These figures do not suggest an exact correlation with the introduction of the FWC, they describe patterns which predate it, but they do illustrate a difference between Scotland and the wider UK that appears to be culturally entrenched. Can unions use local conditions like this to build on and use as tools of influence with devolved administrations?

<sup>1</sup> Source: Scottish Parliament Information Centre

**National regulation is key**

A key lesson from the Scottish experience is that union work in devolved polities is still subject to national regulation. Whatever favourable local conditions might be created by the FWC, unions are still required to follow national recognition procedures through the CAC. So the FWC is not a substitute for the legislative regime that British unions operate in. But can unions in Scotland use the aspirations of the FWC and its cultural impact to organise for recognition? If so, might UK-wide unions consider using Scotland as a foothold to seek extension agreements in national enterprises? Capital is mobile and migrates towards friendlier and more lucrative locations and jurisdictions, often facilitating a race to the bottom in wages and tax regimes. Can organised labour similarly migrate its focus to those places where we have more opportunities and use it start a 'race to the top'?

# THE PRACTICALITIES OF CHANGE – THE STORY SO FAR IN GREATER MANCHESTER

**Janine Dyson**

**Similar to London, the councils of Greater Manchester have a strong history of partnership. In 1986, the Association of Greater Manchester Authorities (AGMA) was formed to allow the authorities to share decisions, lobby government and develop policy across Greater Manchester. Previous to any Metro Mayor deal being signed, Bolton, Bury, Wigan, Stockport, Trafford, Oldham, Rochdale, Salford, Tameside and Glossop and Central Manchester with a population of 2.8 million residents, worked together. In 2011 the Greater Manchester Combined Authority (GMCA) was formed, giving these arrangements statutory authority.**

In terms of straight devolution, there have been a number of incremental deals in Greater Manchester. The first in November 2014 was between the GMCA and central government which focussed on control over the housing investment fund, transport, Mayoral duties to include the role of Police and Crime Commissioner, further education and joint commissioning with the DWP for the Work Programme. At this point health was not included but it did instigate the discussions to develop a plan for the integration of health and social care and shared budgets. The devolution of health in Greater Manchester operated as the Greater Manchester Health and Social Care Partnership (GM H&SCP) in shadow form during 2015 until it received statutory status in April 2016 following the enactment of the Cities and Local Government Devolution Act (2016). The GM H&SCP consists of all the local authorities, Clinical Commissioning Groups (CCG), NHS Trusts, Ambulance Trust and Foundation Trusts across the GM footprints which brings together £6billion NHS and social care budget to enable joint planning and commissioning of health and social care by the GM H&SCP

Further extensions of the devolution deal have been negotiated offering greater autonomy to GM, these include greater powers over adult education, the criminal justice system and the retention of all business rates from April 2017.

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## The set up

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When the first devolution deal was signed a GMCA Partnership Board (GMCA PB) was established which included the local authority trade unions along with members of the GMCA Board. With the devolution of health and social care, health unions have now been included.

Under the GMCA PB, with regards to health and social care, there is a GM workforce engagement board (WEB), which discusses GM workforce planning, training and development and new roles to work across health and social care within GM. For discussions on workplace policies and practice (more a terms and conditions group), a GM workforce engagement forum (WEF) was established. Aside from this overarching GM board, each of the 10 localities has established a workforce engagement group (WEG) with the purpose to negotiate how policy or workforce changes can be implemented within each of the localities spanning health and local authority work. Each institution/employer maintains its own negotiating framework so joint consultative and negotiating committees and partnership forums remain a key place of influence. However this new multi layer negotiation approach means there is the potential for a decision to be made away from the employer which has an effect on members. Despite this, the new structures are enabling institutions to forge partnerships to enable care to be standardised across the footprint and reduce unwarranted variation.

From the trade union side, the TUC have ensured that health and local authority unions have a safe place to discuss developments across the devolution agenda which has been open to all and vital in ensuring effective co-ordination.

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## Making it work

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### A clear common purpose is key

While MoUs were signed when the GMCA and GM H&SCP were created, there has not been anything formal *between* unions themselves. However, there is an understanding of common purpose to protect and improve members' rights which has enabled debate, discussion and disagreement to be handled positively. Without this common purpose, many of the aspects that have been positive in intra union working would not have been achieved. It has required and fostered a high level of trust, which has taken time to develop. An aspect of this is recognising that different areas of work have a different language and shorthand. Participants in meetings could use acronyms that may not be known to others or reflect the differing sector. Not only a common language is sought but also the acceptance that no offence is meant by the use of differing terminology. Coupled with this titles of meetings are recognised to not define effectiveness and the unions have worked together to concentrate on the purpose and power of a meeting rather than being protective of its title. All of this has allowed for a more strategic approach, enabling change on a larger scale with greater influence at the negotiating table.

### Unity is important

It is recognised that unions require to build membership just to stand still as members retire or leave. However, when a trade union has been delegated to speak on behalf of the collective movement the understanding is that this cannot be used for recruitment. With up to 60% of the wider workforce covered by the agreements being in no union at all, there is a recognition that there are potential membership opportunities for all. Anything negative or derogative between or about another union does not happen. Respecting the position of others is a must, finding that common ground and standing together on what is agreed rather than seeing the differences. Equally, no policy or process will be agreed by one union when the other trade unions may not agree.

### New layers of negotiation and consultation need coordinated capacity

The increased levels of negotiation and consultation mean that capacity is an issue. The increase in boards, forums and groups also mean that there isn't enough time or chairs for all unions to be involved. This therefore means that unions have had to share information, expertise and coordinate responses. Integration has seen an increase in TUPE transfers from one employment body to another. With this increase, the level of dialogue between unions has grown to enable not just the sharing of knowledge, but also best practice in respective sectors and areas. This expanded knowledge base has had a positive impact on the relationships between unions and also on the wider membership. This new understanding of differing views between trade unions and the appreciation of the valuable contribution of each different union ensures that objectives are met and work goes smoothly. Moving forward, the unions involved in GM will be working towards joint training for activists, As well as being more efficient for all the trade unions in terms of building capacity, it ensures activists understand negotiating at local levels as opposed to institutions and cements relationships at all levels while building the ongoing trust that is needed.

### Tenacity is needed

When boards, forums and groups were established there were no seats for the unions and that has changed. This was achieved by a combination of persistent asking, turning up using different and any avenue possible. It was very much a case of get an invite then when you arrive bring a friend.

# LONDON AND THE LIVING WAGE : BADGES FOR COLLECTIVE BARGAINING OFFERING OPPORTUNITIES?

Becky Wright, with Lizzie Dowd

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## London and devolution

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London is, to some extent, the forerunner to the structure and form of devolution within England. While similar to other aspects of devolution in terms of the legitimisation of a geopolitical boundary, the way in which powers were transferred are markedly different. The model adopted in London was based on American cities in an attempt to move away from the previous Greater London Council (GLC) structure that resembled the traditional British local government structure. The new incarnation of 'devolved' government was very much rooted in local government functions in a shape that would be recognisable to the newly formed combined authorities and metro mayors. Today, the GLA is responsible for the strategic administration of Greater London and shares local government powers with the 32 boroughs and the City of London Corporation with the role of the Mayor to propose policy, budget and make appointments to the executive functions, such as Transport for London. Where the GLA has direct responsibility, it does not provide the service itself, this is carried out under separate functional bodies over which it has authority.

Many in London will be familiar with the term 'London Living Wage', the campaign set up to push for better wages within the capital. Set up by a coalition of organisations, the campaign claims to have won over £210million of additional wages, lifting over 70,000 families out of working poverty. It currently covers 1,033 London employers and has been so successful it has extended out of London under the umbrella of Citizens UK and the Living Wage Foundation. Today, in 2017, the London Living Wage is £9.75 which is estimated on the basis that this is the amount a worker needs to maintain a basic but acceptable standard of living. The National Minimum Wage (NMW), by contrast, is based on what the market can bear without an impact on employment. The campaign is seen as so

successful that in April 2016, the idea of the NMW was 'replaced' by the National Living Wage (NLW).

What brings London into place with the other devolved political entities is that it has given unions a clear geopolitical boundary and co-ordinated government to engage for policies and approaches to collective bargaining which help drive a union's bargaining agenda. However, with campaigns such as the LLW and the Living Wage Foundation in existence, the role of the union movement in terms of its unique role to deliver on collective bargaining is less certain that it would have been in previous years.

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## London and the Living Wage

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*'A living wage must be sufficient to maintain the worker in the highest state of industrial efficiency, with decent surroundings and sufficient leisure' (Oldroyd, 1894).*

Despite the relative newness of this campaign, the idea of the Living Wage is not new to the trade union movement. A great example of this is a small poster, tucked away in a corner of the Museum of London called 'Waiting for a Living Wage' produced by the Suffrage Atelier in 1913. The poster is in reference to the situation of working class women employed in factories as 'sweated labour', where workers were worked long, arduous hours for less money needed to sustain themselves and family and beyond their capacity to recover from the effort. Even then, this poster was harking back to a longer heritage of struggle against sweated labour when unions had begun to demand minimum standards on wages that would be enough to allow workers and their families to live on. In reaction to these conditions and the demands of unions, the Trade Boards Act was passed in 1909 which set standards for wages, hours, and conditions of work in low waged industries where sweated labour was commonplace.

The introduction of the welfare state following the end of the Second World War diminished the call for the Living Wage; the growth of collective bargaining and the social partnership of Wage Councils superseded the power of the demand. However, since the 1970s, the decline in collective bargaining (both plant and multi-employer) and union membership has correlated with the increase of 'in-work poverty'. This has renewed calls for policy and action on wages. In 1998, the newly elected Labour government created the National Minimum Wage and the Low Pay Commission. The NMW was part of a two pronged approach. It was to be the basis of a wage floor, improve work incentives for low earners and prevent exploitation (Gregg 2000). The other side was the introduction of means-tested household benefits which were designed to guarantee a basic standard of living for the low paid. The initial rate was set at £3.60 for adults over twenty-two and covered 1.2 million people. By the time of the financial crash of 2008, 13.5 million people were living in households with less than 60% of the median net income after housing costs (the definition of low paid work).

Inspired by community alliances such as the Baltimoreans United in Leadership Development (BUILD) who obtained the first living wage ordinance in 1994, the East London Citizen's Organisation (TELCO) resurrected the idea of a LW campaign in London along the same lines. Since its inception, the campaign has been successful in creating a coalition of faith groups, unions and civil organisations which has persuaded employers to adopt the wage demand. While part of the coalition, it's undeniable that unions were a key force in the founding and ongoing success of the LLW; unions funded initial research as well as formulated the wage demands using the LLW. So, what lessons can be learnt from this campaign that unions can use in an ever hostile bargaining, political and legislative climate?

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## Making it work

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### Branding matters

The London Living Wage has created a brand. Something that can be placed on an entranceway and website that displays the organisation's commitment to its staff. In a globalised market,

anything that can give an organisation extra kudos and a USP is sought out. On face value, we might look at some of these plaques with a sense of cynicism. Within the movement, we are used to dealing with 'shiny' innovations which tend to mimic while also reduce employee collective voice. We may think that employers who have agreed to pay the Living Wage may be doing so out of a firmly held belief of social or economic justice, but this is not always the case. In a recent paper for the Living Wage Foundation, Ed Heery shows that the key reasons employers pay the Living Wage is due to either corporate responsibility or a desire to gain a competitive edge over other organisations. This assertion backs up research done by QMUL on the London Living Wage showing that 70% of employers felt the Living Wage had increased consumer awareness of their organisation's commitment to be an ethical employer.

It is surely no coincidence that the resurgence of the LW campaign and the foundation it now comes under was born from this highly ununionised area. In 2016, 18% of workers in London were union members, 19% of workers were covered by a collective bargaining agreement and unions are present in 33% of workplaces. This is the lowest of all regions/nations within the United Kingdom. Ed Heery also notes that the LW is a clear example of 'civil regulation' of employment relations. In other words, it is a standard created by civil society which is adopted by employers. It can be looked at as another form of collective bargaining, one that may have a union involved, but equally a union may not be found. The increase in non worker voice mechanisms and the decline of union only forms has been documented by Chris Wright and the evolution of support of collective bargaining by wider civil society to actually being in the realm means unions need to think about what adaptation this means for structures. A key aspect to the motivation for private sector businesses will not be an appeal to their charitable or moral centres, it will be to the business and brand case. By contrast, unions are not seen as a positive brand in the sense of an easily marketable, describable entity; unions mean different things to different people. However, devolution, and this 'badging' approach can offer unions access to workplaces and employers which are either blocked through the CAC process or where they don't have experience of trade unions.

## Case study

## WILDCARD BREWERY

Wildcard is a micro-brewery based in London. It employs 15 staff as bar staff, brewers and drivers. They decided to pay staff the LLW when it was first set up in 2012. The company co-founder Andrew Brikby says that 'There was no trade union influence in our decision to sign up to the LLW. Neither me nor the other founder had experience of being in a union workplace before setting up the company. The decision was based on rewarding our employees for their hard work and maintaining a motivated workforce and a low staff turnover. It has been a stretch for us, but it is the right decision. Hospitality has a high turnover of staff but everyone has stayed with us so it makes commercial sense.'

Wildcard is an interesting company to consider as a case study as its experience mirrors the QMUL research.

- 80% of London Living Wage employers believe that implementing the real Living Wage had enhanced the quality of the work of their staff.
- Two thirds reported a significant impact on recruitment and retention within their organisation.
- Absenteeism fell on average by 25%.
- 70% felt the Living Wage had increased consumer awareness of their organisation's commitment to be an ethical employer.

The idea of unionisation of an organisation such as this needs to consider the non-hierarchical environment that is sought within the small company, the numbers of people actually working there (employed and on other forms of contracts) and also the experience of those working within this environment when it comes to unions which is non-existent.

## Precedent matters

How did the living wage campaign manage to move from a small campaign in East London to being a recognisable ask in both the capital and across the country? Arguably precedent was important. Firstly, unions asked for the LLW in areas there were already established collective bargaining areas or where they had access to workers. The ability to extend influence gave the campaign a platform to show its effectiveness and importance. Islington Council which went for LLW status in 2012 and was the first London council to do so, already had previous experience of a similar project when it began its Fairness Commission in 2010 with Richard Wilkinson. This does not mean that a council or a combined authority would need to have a commission in the same vein, but that arguments over the necessity of ensuring local people are paid well through procurement is easier to make after a similar exercise. Once one established organisation makes the commitment, it is easier to push for that commitment elsewhere. To date, 98.5% of Islington contracts are LW compliant.

*'It's not straight forward to do something like this. We had the Fairness Commission which set our outputs in relation to the borough. This gave us something to measure against. We are the biggest employer in Islington, therefore what we do has a real impact. We reasoned that as well as the political reasons, somebody's work should be paid enough to live off, there was also the angle that if people have more in their pockets, we're supporting businesses and helping to create jobs.'* (Cllr Flora Williamson, Islington Council)

### Political leadership matters

The M25 has played a key role in defining London in recent times, and it's this landscape that has shaped and informed a regional and political identity. The 'London Living Wage' would not be the 'London' wage if the area was not defined and people readily identified with it. This geopolitical landscape gave the campaign a distinct and almost immediate feel. In the new devolved terrain, the emergence of these new areas gives new political dimensions. The obvious and legitimate argument here is that national pay bargaining can be undermined by regional pay bargaining. However, with the majority of workers in the private sector and not covered by a collective agreement, there is a case to exploit the geography to raise wages and increase union influence.

Within the political landscape, unions can play a key role in creating and setting the agenda not only with employers but also with local and combined authorities (such as Islington) or with Metro Mayors. In London, the support of the then Mayor, Ken Livingstone in placing it on the political landscape was important. It proved a sufficiently successful policy for Boris Johnson to continue to support it, but with a twist. While unions had been instrumental in negotiating the rate, Johnson excluded unions from the table. As the idea of the LLW was more civil regulation than collective bargaining, unions could be easily removed from the process. Therefore, it's important to not only use badges such as this to frame and shape the agenda but to also consider how it will be maintained and how collective bargaining can be built from this foundation.

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