



TICA
Thermal Insulation
Contractors Association

12th, August, 2010.
Phil Davies
National Secretary- Manufacturing Section
GMB
22/24 Worple Road
London SW19 4DD

Dear Phil,

Re Wage award 2011 & 2012

Following our meeting of the 27th July at the offices of Hertel in St Helens, Lancashire, we identified to you the offer made to both the GMB and Unite negotiating team that day was as far as us the TICI negotiating team could go.

We asked for the opportunity of referring our reply to your requests for an improved offer to the governing council of the TICA

We have held discussions with members of the governing council and I have been advised to inform you that the offer made to you that day is our final offer.

We identify below the final response of the TICI, to each point raised by the trade unions on the subject of the 2011 wage claim made on behalf of your members.

1. Pay

During 2007 the employers agreed to a wage award of 7%+6%+6% for a three year agreement, which in effect taking account of the changes in the number of paid holidays, gave an increase in excess of 22% over the period of the agreement.

Within 12 months of the agreement, the UK hit the biggest recession for many years. At the time of the agreement forecasts had been made of growth continuing for the foreseeable future.

During 2008 and 2009 our industry received wage rises that the industry could not afford. Measured against inflation in the period of April 2008 to April 2010, RPI rose by 1.1%, wages rose by 13% plus increased holidays.

As identified at our last meeting, during 2010 the thermal insulation industry increased the rates of pay of its employees, as agreed with the unions in excess of 7%, by way of a 6% rise in basic rate and additional paid holidays. At a time when the construction industry was settling for far less, NAECI rates of pay rose by 2%.

We ask you to consider the position the construction industry is in. We are in the middle of a deep recession, with the insulation industry and in particular TICA members losing work to non members companies, who are not bound by the TICI national Agreement.



We confirm below our final offer:

We are proposing a 2 year agreement

2011

1.91% increase of basic rate, rising to £12.25 / hour (current rate £12.02)

1.85% increase of overtime calc rising to £11.00 / hour

Holiday pay min of £117.60/day

2012

2.04% increase to basic rate, rising to £12.50 / hour

2.27% increase in overtime calc rising to £11.25 / hour

Holiday pay min of £120.00 / day.

Should you wish to consider a one year agreement, we are willing to withdraw our proposal for 2012 and the offer for 2011 would be the basis of the wage agreement

2. Travel Allowances and arrangements

There are 2 sections to the allowances, taxable and non taxable.

Taxable; is a reflection of the wages, we would as above propose an increase of 1.91% for 2011 and 2.04% for 2012.

Non Taxable; this is based on an agreement made with the HMRC and in accordance with section 6.0 of the national agreement is adjusted annually from the October figures of the Retail Price Index (Fares and other travel costs), we do not propose to change this.

On the subject of changing the measurement of distance from a 'radius' to an 'actual' distance, this again is part of the agreement with HMRC and is not being considered as an option for change.

We would also point out that in previous wage negotiations sections of the allowances have been 'bought out' and added to the basic rate. It is not our intention to bring them back into the agreement

3. Lodge Allowance

We as an industry pay an allowance and as detailed above have an agreement with the HMRC; it requires HMRC approval of non taxable allowances.

The agreement with the HMRC is in line with our national agreement

Our agreement states:

Lodging-out allowances under this rule will be reviewed annually (October to October) and any adjustment shall be based on the increase in the Retail Price Index (RPI) sub-index 1 Food, over the preceding twelve months.

It is not our intention to change this.

We would also add our agreement states:

Should special circumstances warrant payment above the amount referred to in 7.1 above, then by prior agreement between the employer and the operative additional payments may be made against the presentation by the operative of signed receipts.

4. London Allowance

From the proposal it is apparent that the union do not consider that a 'London allowance' is paid. Our agreement identifies an allowance of £ 1.52 / day, which has risen in recent years in line with wages.

Our proposal is that it stays in line with wages so will follow the proposed wage award as detailed within item 1 above,

5. Severance Pay

This not a proposal we intend to consider

6. Tools

Currently a man is paid £3.83/ week (£183.84/year) to maintain his tool kit which is initially issued to him as an apprentice, see list in apprentice agreement.

For tools not detailed on the tool list the employer will provide see;

Section 16.2 Any tools not included in this list to be supplied by the employer - such tools to be for the job and not for specific operatives and shall remain the property of the employer.

It is not our intention to consider the union request. We will contact all members and remind them of the national agreement.

7. PPE

As we identified during our discussions we do feel there is merit in this proposal and a number of our members already provide this facility, we do however at this stage feel we need the opportunity of discussing this further with our members, to provide a sensible solution to the problem.

8. Death Benefit

We have discussed this with our preferred supplier of the welfare scheme 'Welplan' who made the following statement:

'The unions have now queried the age 74 cut-off for all relevant benefit provision as they feel this may contravene the 2006 Age Discrimination Regulation Welplan had received legal advice confirming this rationale prior to re-drafting and remains of the view that the cut-off can be *objectively justified*.'

As a result of the above, it is not our intention to change the welfare agreement.

9. Pensions

The TICA are fully aware of the requirement to have a pension scheme in place by mid 2012 and have held discussions with our welfare scheme supplier, on this subject. It is

our intention to provide a scheme that is the most beneficial to both employees and employers.

We will keep the unions up-to-date on the development.

10. Holiday Pay

Holiday during the last negotiations had been adjusted to 25 days and the holiday pay payment of £114.35/day had been calculated to give a man average earnings for the industry over a 38 hour week and does not reflect overtime.

Should a man earn on average over £114.35 / day he would be paid at the higher rate. See section 8.2 of the national agreement

Operatives will be paid for 25 days in 2010 (in the case of a normal working week of 5 days) of annual holidays at the daily rate in Appendix '1' (subject to sufficient holiday credits having been accrued at the time the holiday is taken) or at the rate of pay as required in Regulation 16 of the Working Time Regulations 1998, whichever is greater.

As our proposal in item 1 above, our offer is to increase the daily holiday minimum rate to £117.60/day for 2011 and £120.00/day for 2012.

We are of the opinion that our offer is both reasonable and fair in the current climate and would hope the unions negotiating team will recommend to its members an acceptance of the above offer. Should you wish to have a further meeting to discuss our proposals we are willing to meet at a time and place convenient to us all.

Should you wish to discuss any of the above, please do not hesitate to contact me.

We await your response.

Yours sincerely



Ralph Bradley
Chief Executive.