

New National Conference Agreement

(Incorporating
Agreement on Incentives
Based upon Time Study)

Revised January 2015

BETWEEN

British Footwear Association and Community

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1 Introduction

- 1.1 This National Conference Agreement, **Basic Conditions**, sets out the key provisions on conditions of employment for production workers in the footwear manufacturing industry of the United Kingdom. These are to be regarded as applicable across the industry and may only be varied as a result of periodic re-negotiation.
- 1.2 BFA and Community accept that the ever changing trading environment of the industry, and the need to maintain business efficiency, may well justify substantive variation of certain of these conditions in individual companies. They therefore encourage and support the agreement of conditions that benefit employers and their employees by promoting competitiveness in the industry and helping achieve sustainable employment.
- 1.3 This agreement is to apply in all cases where no local area or factory agreement specifying different terms operates. The individual employer in consultation and by negotiation with his employees and, where appropriate, their representatives may at any time conclude such local agreements, the terms of which shall similarly be incorporated into employees' individual contracts of employment.
- 1.4 In this Agreement:
- “the Association” means British Footwear Association (BFA)
- “the Union” means Community
- “Joint Consultation/Negotiation” means consultation and negotiation between the employer and employees and, wherever appropriate, their respective representatives.

2 Recognition, Membership and General Application of Rates and Conditions

- 2.1 British Footwear Association (BFA) recognises Community as the only appropriate union for representing the interests of and negotiating wages and conditions for all production and distribution workers in the industry. BFA also recognises Community as the appropriate Union to represent other categories of workers including staff where those workers choose to join a trade union.
- 2.2 For the more effective enforcement of any agreements, awards or decisions, as well as for the general advantage of the industry, the BFA and Community equally recognise the importance of their respective organisations as being numerically strong and as fully representative as possible of employers and operatives in all centres of the shoe trade.

- 2.3 BFA and Community therefore support the principle of 100% membership of each other's organisation by eligible manufacturers and employees respectively. They undertake to use their best endeavours to achieve these long-standing objectives, with the least disturbance to good employer/employee and inter-employee relations at factory level.
- 2.4 The wage rates and major conditions of employment, notably hours of work, holidays and guaranteed wages, shall apply in all associated firms and shall not be diminished by any award of an Arbitration Board, arbitrator or umpire. Furthermore, BFA and Community undertake to use such means as are at their disposal to ensure observance of the Agreement by all employers and employees whether members or not.
- 2.5 **Community's Exclusive Rights.** Firms should inform their employees that they recognize Community as the appropriate organization to belong to. Community enjoys exclusive representational and negotiating rights. That means making it clear that any workplace bargaining on terms and conditions, no matter to what extent, will be carried out by management only with accredited Community representatives. This re-affirmation of Community's status should be confirmed in writing to the local district secretary.
- 2.6 **New Employees.** Firms should inform prospective and new employees that, in accordance with the National Conference Agreement, the company encourages them to join and remain members of Community. This should be confirmed in writing during the first week of employment. A paragraph to the same effect could usefully be included in the written statement of their main terms of employment issued to employees within 8 weeks of their starting work.
- 2.6.1 Community officers/representatives should be given the opportunity, for example in the course of any induction programme, of meeting and talking with new employees about the Union and its work. Frequently this works very well if done jointly with a management representative.
- 2.7 **Existing Employees.** Firms where necessary should provide facilities for the local trade union official to talk with any employee who has threatened to resign membership of Community or who has actually done so.
- 2.8 **"Check-Off" Arrangements.** Firms not already operating "check-off" – that is the deduction by the firm of Community dues from an employee's wages with his/her consent – should consider favourably any request from Community to introduce the system. Experience in the industry has shown that the "check-off" is simple to administer and carries distinct advantages to all concerned.
- 2.9 **Disputes.** Wholehearted commitment by everyone at factory level to the general principles and detailed recommendations in paras 2.1–2.8 above should help minimize disputes. Without detriment to individual employees, or infringement of their statutory rights in relation to trade union membership, the industry's customary conciliation and arbitration machinery should be used to help resolve any dispute over trade union membership which cannot be settled amicably by persons directly concerned.

3 Working Week

- 3.1 The standard working week shall be one of **39 hours** inclusive of any interval or break given at the discretion of the employer.
- 3.2 BFA and Community recognise the need for efficiency of working and profitability in the industry and accept that, within the terms of this Agreement, variations to working time may be entered into by joint agreement at factory level.

4 Reciprocal Obligations and Basis of Payment

- 4.1 It shall be obligatory:
 - 4.1.1 on the part of the Employer to pay the full rates of wages for all output and provide the necessary tools for the performance of the operation and any reasonable replacements.
 - 4.1.2 on the part of the Employees to use their trade skill and productive ability to the best advantage and fullest capacity and with no restriction of output following a change of organisation or machinery.
- 4.2 The Basis of Payment shall be Daywork (Agreed Weekly Wage), traditional Piecework or Incentives Based upon Time Study (Payment by Results) or such other system as shall be agreed between the employer and his employees.
- 4.3 The application of Incentives Based upon Time Study is the subject of a subsidiary Agreement between the Association and the Union, the details of which are in Appendix I to this agreement.
- 4.4 Adequate notice, which shall be at least 4 weeks, shall be given of any proposed change of system and joint consultation shall take place.
- 4.5 New payment systems which are based upon values or prices generated by computerised systems, shall be implemented in accordance with the Joint Code of Practice dated March 1986 – see Appendix I
- 4.6 Irrespective of the system of payment:
 - 4.6.1 Employees, whether on full or short time, shall be supplied with a full quantity of work and shall be given reasonable facilities for the proper performance of their work, failing which they shall be paid at an agreed rate for the hours worked.
 - 4.6.2 When employees are prevented from earning their average owing to bad materials or to special care being required in the performance of their work, special adjustment shall be agreed between the employer and employees and their respective representatives where necessary.

- 4.6.3 Each employee must be capable of, available for and willing to perform the work associated with his usual occupation or reasonable alternative work where his usual work is not available. In case of any difficulty in interpretation of what is reasonable alternative work, it shall be settled, if possible, by consultation between the local Union officer(s) and representatives of the firm concerned.
- 4.6.4 In all circumstances employees are entitled to be paid not less than the Minimum Rate pro rata to the hours worked.
- 4.6.5 Employees kept in the factory **without work or sent home through shortage of work** shall also be paid at an agreed rate for the hours lost – as per the detailed provisions in **Section 6** or as otherwise jointly negotiated and agreed.
- 4.6.6 An underpinning **weekly guarantee of 75% of average earnings** shall apply – as per the detailed provisions in **paras 7.5 – 7.7**, or as otherwise jointly negotiated and agreed.

5 Rates of Pay

5.1 Minimum Rate

- 5.1.1 In respect of wages paid from the first working day in January 2012 the following minimum rates shall apply

Age	Rates £ per 39 hour week	
16	184.62	(70% of adult rate)
17	210.97	(80% of adult rate)
18 and over	263.73	

- 5.1.2 All other rates of pay shall increase by the amount agreed at each National Conference.
- 5.1.3 Piecework rates shall be kept under review and where necessary adjusted to take account of changing conditions.

5.2 Overtime

- 5.2.1 Overtime rates shall be paid for hours worked in accordance with the following paragraphs:
- 5.2.2 Employers shall give to the individual employee concerned notice at the earliest opportunity, which shall normally be on the preceding day of the intention to work or cease to work overtime. Employees are expected to work overtime when such notice has been given.

- 5.2.3 **Monday to Friday Working.** Overtime on each working day, Monday to Friday inclusive, shall be paid for at the rate of time-and-a-third for dayworkers and 33⅓% above the piecework rate for pieceworkers for the **first** 4 hours in any one working week. The **second** 4 hours shall be paid for at the rate of time-and-a-half for dayworkers and 50% above the piecework rate for pieceworkers. All hours in excess of **8 hours** shall be paid at the rate of double time for dayworkers and 100% above the piecework rate for pieceworkers.
- 5.2.4 Provided that overtime during the working week – Monday-to-Friday inclusive – shall only be paid to an employee who has worked the full period of a normal week of 39 hours, unless:
- an interruption in the week has occurred for which the employer is responsible; or
 - time has been lost through certified sickness or any other reason acceptable to the employer.
- 5.2.5 However overtime worked to make up lost time during the week on the employee's own responsibility and when the reason for this is unacceptable to the employer, or owing to breakdown of machinery, fire, flood or due to holidays given at the request of the employee, shall be paid for at normal and not overtime rates.
- 5.2.6 **Saturday Working.** All work on Saturday shall be paid for at the rate of time-and-a-half for dayworkers and 50% above piecework rates for pieceworkers.
- 5.2.7 Provided that work on Saturday after 47 hours have been worked (Monday to Saturday inclusive) shall be paid for at the rate of double time for dayworkers and 100% above piecework rates for pieceworkers.
- 5.2.8 The calculation of the 47 hours is subject to the provisions specified in paragraphs 5.2.3 and 5.2.4.
- 5.2.9 **Sunday and Holiday Working.** Where employees are called upon to work
- On Sundays
 - On statutory holidays and additional days of holiday as defined in para 8.17
 - On alternative days in lieu
 - Work shall be paid for at the rate of double time for day workers and 100% above piecework rates for pieceworkers.

This paragraph does not apply to employees whose conditions of employment include provision for working on such days at normal rates.

6 Attendance at Factories

6.1 Full-time Working.

6.1.1 When full-time is being worked and employees attend at the factory on the instructions of the employer or his/her representative, work shall be found for them for each day that they attend or, alternatively, they shall be paid at their contract weekly wage rate for time workers and not less than average earnings for pieceworkers for the hours lost as a result of being sent home.

6.1.2 This paragraph does not prescribe payment of average earnings for **time spent in the factory**. The guarantee which it does provide is average earnings for the time lost as a result of being sent home.

6.1.3 In instances where paragraphs 6.2.5 – 6.3.6 below do not apply, the appropriate rate of payment for time spent in the factory shall be agreed, having regard to any relevant nationally or locally agreed rates.

Short-time Working.

6.2.1 If work cannot be provided in a department, all employees affected shall be notified, orally or in writing, before the end of the previous day that short-time will be worked at least to the minimum hours specified by the employer.

6.2.2 Employers must therefore notify employees exactly when they will be required to start and finish work. However, when work unexpectedly becomes available to enable employees to work **beyond** the time previously specified, they will be expected to co-operate. Wherever possible, this notification will be before the end of the previous day. In all cases the **overall** minimum periods prescribed in 6.2.4 below shall be observed.

6.2.3 If the employees' services are not required **at all** during the day, they shall be informed before the end of the previous day.

6.2.4 If, however, employees are required to attend at the factory, work shall be found for them for the following periods or, alternatively, they shall be paid for these periods at the contract weekly wage rate for time workers and not less than the basic weekly wage rate for pieceworkers.

If attendance required for the morning only	Not less than 3½ hours
If attendance required for the afternoon only	Not less than 3 hours
If attendance required for both the morning and the afternoon	Not less than 6½ hours in any one day, of which at least 2* hours must be in the afternoon

*or 1½ hours where the working days consists of 5 hours in the morning and 3 hours in the afternoon.

- 6.2.5 The provisions of paragraphs 6.1 – 6.2.4 shall not apply in the case of machinery breaking down after the employees have entered the factory or in the case of the illness or absence of, or industrial action by, any employee covered by the National Conference Agreement section 2.1 – which interferes with the organisation of the factory.
- 6.3 However, with special reference to attendance during the course of a **strike**, the following principles shall apply:
- 6.3.1 Management should review the situation day by day regarding the supply of work – if any work can be supplied – to **non-striking** employees.
- 6.3.2 Management shall give non-striking employees advance notification of short-time working and meet the relevant guarantees under paragraphs 6.1 to 6.3.5 as appropriate – or under local agreements as necessary – unless the circumstances of the strike preclude this.
- 6.3.3 Where short-time is in operation for reasons unrelated to the strike, management shall compensate non-striking employees in the prescribed manner if they attend for work as instructed but work cannot be found for them.
- 6.3.4 In other words, the fact that a strike is in progress should not be seized upon as an excuse for failure to give advance notice of short-time working if this could reasonably have been given.
- 6.3.5 In operating this clause in the circumstances of a strike, management should have regard to the principle that the co-operation of non-striking employees in keeping the factory operational – i.e. in mitigating the disorganization caused by their striking colleagues – should not be undervalued.
- 6.3.6 Employers and their representatives shall take all precautions to avoid the necessity of sending employees away from the factory on account of breakdown of machinery or the disorganisation of the factory. Payment for the time that employees are kept in the factory shall be at the rate of their contract rate for dayworkers and 6/8ths of their average earnings for pieceworkers.
- 6.4 Special provisions shall apply in respect of **stoppages of work owing to national or local failure of electricity supplies**, viz:
- 6.4.1 Every precaution should be taken to avoid sending employees home unnecessarily.
- 6.4.2 No employees are liable to be paid for periods for which they are **sent home**.
- 6.4.3 Payment for employees **kept in the factory** shall be at their contract rate for dayworkers and 6/8ths of average earnings for pieceworkers.
- 6.4.4 The time that employees are kept in the factory shall count towards the 39 hour working week (or towards their contractual hours if different) in determining

when overtime rates are applicable, but time lost through being sent home shall not count. However, in all cases work on **Saturday** to make up lost time shall be paid for at the rate of time-and-a-half for dayworkers and 50% above piecework rates for pieceworkers.

7 Guaranteed Wages

- 7.1 It shall be permissible for the British Footwear Association and the Union to agree jointly to a temporary suspension of this Section in exceptional circumstances.
- 7.2 Each employee covered by the National Conference Agreement – shall be guaranteed a wage for each week that he/she is available for and willing to work.
- 7.2.1 It shall be obligatory on the employer to pay the guaranteed wage when due, without claim to be made by the employee.
- 7.2.2 It shall be obligatory on the employees to use their trade skill and productive ability to the best advantage and fullest capacity.
- 7.2.3 Where an employer considers that an employee is restricting output he/she may warn the employee that make up to guarantee may be refused in future. At the time of warning the employee, the employer must notify the local officer(s) of the Union of the circumstances of the warning.
- 7.2.4 When the justification for withholding guarantee is disputed, the dispute shall be settled by consultation between the local officer of the Union and representatives of the firm concerned. Failing settlement at this stage, the usual procedure of negotiation shall be followed.
- 7.3 Employees must be capable of, available for and willing to perform the work associated with their usual occupation or reasonable alternative work where their usual work is not available.
- In case of any difficulty in interpretation of what is **reasonable alternative work**, it shall be settled, if possible, by consultation between the local officer(s) of the Union and representatives of the firm concerned.
- 7.4 The normal working week of 39 hours consisting of the days for which payment is made up shall, during the currency of this Section, unless otherwise amended, be regarded as the week under the guarantee, except that the week under the guarantee for part-time employees who by agreement with their employers are not employed for the full normal working week of 39 hours shall be the subject of agreement between the employer and the employee.
- 7.5 Subject to paras 7.8 – 7.9.3, the weekly wages of all employees, whether on full or part-time, shall be guaranteed as follows:

7.5.1 **To Dayworkers:**

75% of their Contract Weekly Wage

7.5.2 **To Pieceworkers and Other Incentive Workers:**

75% of their Average Weekly Earnings, calculated in accordance with paras 7.6 – 7.6.4

7.5.3 Any daily penalty payments to which the employer is liable in respect of attendance at factories during full-time and short-time working, stand in their own right. Such payments shall be aggregated with any production earnings for the purpose of determining whether make-up to the weekly guarantee of 75% of average earnings is payable.

7.6 Incentive workers' earnings shall be assessed as follows:

7.6.1 The average earnings for a 39 hour week, exclusive of overtime, and all time lost by the employee on account of bad timekeeping, during a recent period of four (or more by agreement) consecutive weeks of full-time working if possible. Earnings include all **bonuses** whether for materials' saving or production.

7.6.2 Where such a period under paragraph 7.6.1 cannot be found or where either the employer or the employee considers the average weekly earnings assessed in accordance with paragraph 7.6.1 to be inappropriate, unrepresentative, or unfair, an alternative reference period shall be agreed, failing which the usual procedure of negotiation shall be used to settle the dispute.

7.6.3 The average weekly earnings of all new incentive employees shall be assessed in accordance with paragraphs 7.6.1 and 7.6.2 within 13 weeks from their starting employment.

7.6.4 The employer shall inform each incentive worker of the assessed average weekly earnings figure.

7.7 At quarterly intervals, in order to take account of a change in an employee's earnings capacity arising from any cause, the employer or the employee may give notice to the other of reassessment of the basic average wage. Such reassessment shall be calculated in accordance with the provisions of paragraphs 7.6 to 7.6.4.

(**NOTE:** When a change takes place in incentive rates the employee's assessed earnings figures shall be adjusted with effect from the beginning of the working week in which the change takes place)

7.8 The guarantees prescribed in paragraph 7.5 shall not apply:

7.8.1 in respect of all time lost by employees on their own responsibility or through sickness or any other cause.

- 7.8.2 in respect of a breakdown of machinery, fire, flood, or stoppage of fuel or power supply which makes normal work impossible.
- 7.8.3 In respect of all days of paid holiday.
The week under guarantee shall be reduced by all such time lost or by the actual days of holiday.
- 7.9 In the event of any employees, covered by the National Conference Agreement, in a department or factory taking part in a strike, the guarantee shall cease to apply to all employees so covered who are employed in the factory immediately upon notification of the strike to the General Secretary of the National Union and to the Union District Secretary where the strike takes place.
- 7.9.1 It is not the intention of this clause that **non-strikers** shall be adversely affected in comparison with **strikers** in a factory, nor that a strike in one department shall lead to the **immediate** closure of other departments.
- 7.9.2 The application of this clause to non-strikers may refer to employees, covered by the National Conference Agreement, employed in the same or different factories within a company group demonstrably dependent upon a common supply of work.
- 7.9.3 Local procedures for dealing with disputes need to be utilised and the detailed application of this clause is to be referred for local settlement in the light of its general intention.
- 7.10 The Association and the Union undertake to use their best endeavours to promote good timekeeping and regular attendance on the part of the employees in the interests of regularity of working, efficiency of organisation and full output. Further, they reaffirm the statement of reciprocal obligations, namely:
- 7.11 It shall be obligatory:
- 7.11.1 on the part of the Employer to pay the full rates of wages for all output.
- 7.11.2 on the part of the Employees to use their trade skill and productive ability to best advantage and fullest capacity and with no restriction of output following a change of organisation or machinery.

8 Holidays with Pay

- 8.1 The total number of days of paid holiday in each full holiday pay year shall be 32, of which 20 are annual, and 12 statutory or additional, days.
- 8.2 Payment for all days of holiday for all employees, whether contracted to work full or part-time, shall be at the rate of current average earnings.
- 8.3 There shall be two categories of holiday viz **Annual Holidays: Statutory and Additional Holidays**

8.4 **Annual Holidays**

8.4.1 Every employer shall allow **20 days** of holiday to every employee on his payroll whether contracted to work full or part-time.

8.4.2 These 20 days shall be called “annual days” and shall include at least 10, that is two weeks, to be taken consecutively between 15 May and 15 September.

8.5 Where Local Arbitration Boards operate, they may make recommendations as to holiday dates for their areas which all employers and employees are expected to observe. However, Boards shall entertain any request for variations where the proposed arrangements have the support of the individual employer and a majority of the relevant employees.

8.6 In all other cases, holiday dates shall be determined having prime regard to essential production requirements and balancing these where necessary against established date patterns, special local factors and the need of employees for regular breaks.

8.7 **Breach of holiday rules procedure**

8.7.1 There is no obligation on employers to allow employees to take holidays outside the dates set for factory shutdowns. However, employers recognise that there may be genuine reasons for some employees to take holidays at a different time.

8.7.2 Employers will reasonably consider applications for additional time off, taking into account the needs of the business, requests from other employees and the number of previous applications from the individual concerned.

8.7.3 In addition, employers will reasonably consider “one-off” special requests but these will be exceptional cases.

8.7.4 Employees who take additional holiday without permission will be subject to disciplinary action as described in para 8.7.6.

8.7.5 Permission for holidays outside the specified company closure dates should always be obtained **before** holiday bookings are made.

8.7.6 The penalty for a first offence of taking a holiday without authorisation will be a written warning to remain in effect for two years. A subsequent breach during that period will incur a final written warning which remains in effect for two years. A further repetition whilst the final warning is in effect may result in dismissal.

8.8 **Payment for Annual Holidays**

8.8.1 The holiday pay year shall, unless otherwise determined by joint local agreement or well-established practice, date from the second Monday of the

main, that is the two weeks', annual holiday and end on the Friday of the first week of the next main annual holiday.

8.8.2 Starting from the beginning of the holiday pay year, payment for the annual holidays shall be on the basis for each working week, up to a maximum of 48 working weeks in each year, of 4/48ths of:

- (To pieceworkers and other incentive workers) Their agreed current average earnings calculated in accordance with paras 7.6.1 to 7.7.
- (To dayworkers) Their current agreed weekly wage.

8.9 By special provision, employees whose first job in the footwear industry starts at any time during the holiday pay year, but not later than the week following the day on which factories re-open after the Spring Bank Holiday period, are entitled to at least two weeks' full pay for the next ensuing main annual holiday provided they are still employed at the time the main annual holiday is taken.

8.10 Weeks to be **included** in the accrual period:

- Those during which the employee was at work
- Holiday weeks other than those mentioned in paragraph 8.11.
- Those during which the employee was absent **with** permission, e.g. because short time is being worked.
- Those during which the employee was absent ill or injured – subject to paragraph 8.14.

8.11 Weeks to be **excluded** from the accrual period:

- Those during which the employee was **not employed**.
- Those during which the employee was absent **without** permission.
- Those which include Christmas Day, Easter Monday, Spring Bank Holiday, Late Summer Bank Holiday or alternative days in lieu.
- Those occurring after the cut-off under paragraph 8.14.

8.12 All sickness absence must be supported by a self or doctor's certificate in accordance with the individual employer's rules.

8.13 The employee shall not be entitled to receive holiday pay in respect of any day(s) of unauthorized absence. Each day shall count as one-fifth of the working week for the purpose of calculation.

8.14 Payment for the annual holidays shall be made on the pay day immediately preceding the holiday.

8.15 If a change in wage rates coincides with the annual holidays, holiday pay shall be based upon the **new**, not the **old** rate.

8.16 **Statutory and Additional Holidays**

8.16.1 Every employer shall allow a further **twelve days** of holiday to every employee on his payroll whether contracted to work full or part time.

8.16.2 **Eight** of these days shall be called “statutory days” and are to be taken on Christmas Day, Boxing Day, New Year’s Day, Good Friday, Easter Monday, May Day, Spring Bank Holiday Monday, Late Summer Bank Holiday, or equivalent days in Scotland and Northern Ireland, or on alternative days in lieu as recommended by Local Arbitration Boards or as determined by the employer in consultation with the local union officer.

8.16.3 The remaining **four** shall be called “additional days”, the dates of which shall be fixed in the same way as other holidays, except that the timing of the fourth day, negotiated at the 1998 National Conference, shall be at the employer’s discretion.

8.16.4 An employee who is absent from work for whatever reason, for more than twelve consecutive weeks including holiday periods, shall not be entitled to any further statutory days of holiday until the employee returns to work.

8.18 **Payment for Statutory and Additional Holidays**

8.18.1 Payment for each day of statutory or additional holiday shall be **one fifth of average weekly earnings**, unless determined otherwise by joint local agreement or well-established practice.

8.19 **Holiday Pay and Termination of Employment**

8.19.1 Holiday periods may count towards the periods of notice to which the employee is contractually or statutorily entitled from the employer, but payments made for these holidays under this Section shall not count towards any payment in respect of notice which the employer has to make under the Employment Rights Act 1996.

8.19.2 Alternatively, the period of notice may be extended such that the holiday weeks are effectively excluded.

8.19.3 Where employees give notice, only the holiday pay due to them shall be paid or their entitlement under the 1996 Act, whichever is greater.

8.19.4 Employees receiving or giving notice of termination which is due to expire during the working week immediately **preceding** a holiday period which includes one day or more of statutory/additional holiday shall be entitled to payment for any such day.

- 8.19.5 Upon termination, employees shall receive their total accrued entitlement to annual holiday pay less payment made for any days of annual holiday already taken in the current holiday pay year.
- 8.19.6 All payments shall be made on termination or as soon as reasonably practicable thereafter.

9 Other Benefits

9.1 **Notice During Sickness**

- 9.1.1 Continuous absence through certified sickness up to a limit of **28 weeks** shall not terminate an employee's contract of service, and notice shall be withheld during such absence. In the event of it being thought necessary at that time, or some later date, to terminate the employment, notice shall only be given following consultation with the local Union officer(s). Employees shall have had at least one year's continuous service at the outset of the illness in order to qualify for this benefit.

9.2 **Life Assurance (Death in Service) Benefit**

- 9.2.1 The insurance scheme introduced by the Association (then the Federation) on 1st September 1980 provides a £2,000 death-in-service benefit in respect of employees who have had at least one year's service with their employer.
- 9.2.2 Employees who have already completed one year's service with one member firm (whether continuous or not) shall immediately be eligible if they join another member firm within one year. Employers providing equivalent or better benefits may opt out of this Scheme. Other employees may be included in the Scheme at their employer's discretion.

9.3 **Compassionate Leave**

- 9.3.1 An employee shall be entitled to payment at the rate of average earnings for five days during an agreed period of absence on the death of a spouse/partner, parent or child and three days in the case of the death of a brother, sister, mother-in-law or father-in-law and two days in the case of the death of a grandparent. In addition, an employer will consider a valid request for one day's paid absence in the case of a near relative (eg aunt, uncle), this request not to be unreasonably withheld.

9.4 **Paternity Leave**

- 9.4.1 An employee is entitled to up to ten normal working days of paternity leave paid at average earnings (inclusive of statutory paternity pay).

9.5 **Maternity Leave**

- 9.5.1 Maternity leave and pay will be in accordance with statutory provisions with the exception of the first two weeks where an employee is entitled to up to ten normal working days of maternity leave paid at average earnings (inclusive of statutory maternity pay).
Holiday pay shall accrue during both the statutory and additional maternity leave period up to a maximum of 39 credited weeks.

9.6 **Time Off for Hospital Consultations and Cancer Screening**

9.6.1 Employees shall be allowed reasonable time off work with pay at the rate of average earnings.

9.6.2 Whenever it is practicable for the employee and/or the employer, the employee shall be expected to work on the day of the appointment.

9.6.3 Paid time off for cancer screening will not normally be granted more than once every three years. However, where an employee is called for re-examination or check-up within the three year period, then and subject to the same conditions that applied in respect of the first examination, a second or subsequent period of paid time off should be allowed.

9.6.4 Where time off with pay is allowed to attend appointments with hospital consultants, this will apply to a maximum of two consultations in any calendar year.

9.6.5 These provisions do not apply to attendance at hospitals, clinics or doctors for treatment.

9.6.6 The employer may require the employee to produce a letter or appointment card to verify the request for time off.

9.7 **Sick pay scheme**

9.7.1 Employees are entitled to sick pay subject to the conditions of the scheme detailed in Appendix III, which has a five-day qualifying period.

10 **Disputes and Grievances**

10.1 The industry's disputes procedure is essentially, though not exclusively, designed for the settlement of collective disputes. In all cases, however, every attempt must be made at factory level to resolve, by discussion and negotiation in good faith, disputes on pay, hours of work and other conditions of employment. Arbitration must be regarded as the last resort.

10.2 Strikes and lock-outs are recognised as counter-productive and alien to the industry's traditions. They should in no circumstances be resorted to and any Local Conciliation and Arbitration Board, individual arbitrator or umpire may refuse to enquire into a dispute until normal work is resumed.

10.3 Where those directly concerned or their representatives fail to settle their differences, and after any internal procedure has been complied with and exhausted, the matter(s) in issue shall be referred for conciliation and, provided it is properly arbitrable, arbitration:

10.3.1 To the Local Conciliation and Arbitration Board.

- 10.3.2 Or, where no Board exists, to senior officers of BFA and Community
- 10.3.3 Where a Board or the senior officers of BFA and Community fail to agree, they shall appoint two Arbitrators or an Umpire as the case may be.
- 10.4 Any award, whether of a Local Arbitration Board or senior officers of BFA and Community acting as arbitrators, or other arbitrators, or an Umpire, shall be regarded as final and binding.
- 10.5 The same rate of pay, hours of work or other conditions of employment that applied prior to the dispute shall continue until an award is made.
- 10.6 The conciliation and arbitration process shall be conducted as expeditiously as possible and with the utmost impartiality. All proceedings and hearings shall be in accordance with the principles of natural justice.
- 10.7 No Board, Arbitrator or Umpire shall be required to consider the question whether an employer shall employ a particular person or a person work for a particular employer. Further, the obligation to refer disputes which cannot be settled at source to industry or area level conciliation and arbitration in no way interferes with or compromises the rights in law of the individual employee and employer.
- 10.8 Boards, Arbitrators and Umpires shall consider each case on the evidence presented to them. They would be expected to take fair and balanced view of all matters, giving consideration to such important issues as the general efficiency and economic viability of the business, as well as the welfare of the employees and the maintenance of good industrial relations.
- 10.9 Questions of interpretation of this Agreement shall be referred to the FIJCC, BFA and Community.

11 Powers of and Rules for Arbitration Boards

- 11.1 Local Board of Conciliation and Arbitration shall where they continue to operate do so on the basis of their current constitution and rules. These may be varied from time to time by agreement locally between the representatives of the area employers and the officers of Community.

12 Agreement on Incentives Based upon Time Study

- 12.1 Recognising that payment based upon time studied incentives is common practice within the industry the Agreement included in this Agreement at Appendix I shall continue to apply.

- 12.2 Any changes to that agreement or the introduction of new agreements shall be by negotiation locally between employers and officers of Community.

13 The Management of Redundancy

- 13.1 A recommended Code of Practice for the handling of redundancy is included in this Agreement at Appendix II.

APPENDIX 1

Agreement on Incentives Based upon Time Study

1.1 **General Principles of Application of this Agreement**

The object of this Agreement is to clarify the principles which shall govern the application and maintenance of incentives based upon time study and the operation of this Agreement should result in benefits to both employers and employees.

The Union officers are competent to negotiate conditions relative to the principles which shall operate if the system is applied, but they cannot negotiate acceptance of an application on behalf of members of the Union employed in any factory.

The acceptance of an application is based on this Agreement can only be decided in the first instance by the employees themselves in the department(s) concerned.

1.2 **Procedure of Introduction**

(a) In accordance with **Part 1, Section 7.3**, an employer proposing to adopt the system shall advise the employees and notify in writing the Secretary of the local Arbitration Board, the Secretary of the local Manufacturers' Association and the local Branch Secretary of the Union, stating the department(s) into which it is to be introduced and the date of its introduction.

(b) The system shall be introduced by a qualified person or firm of consultants acceptable to the Union and the employer, and studies shall not commence until the Union has signified acceptance of the person or firm.

(c) If, after the survey, the employer gives notice to the Union that he/she proposes to introduce the system, then before the commencement of study work, the employer shall meet the Union officers and the employees in the department(s) concerned to discuss the principles of the system and to obtain an assurance of the co-operation of the employees in the study work.

(d) Where the system is introduced facilities shall be provided by the employer for the training of representative(s) by the employees in order to ensure that the employees' representative(s) is competent to check values where such are in dispute, and such representative(s) shall be available for this purpose.

(e) In any factory or department the system shall be introduced for a trial period of not less than twelve weeks. (As the acceptance or otherwise is on a departmental basis the trial period shall be regarded as completed twelve weeks from the date on which the final section of the employees in the department is applied.) Thereafter it shall be regarded as the established method of calculating payment, unless:

(i) at the end of the trial period, or within one month thereafter, the employer gives two months' notice to employees in the department or departments concerned and their Union officers to terminate the system and revert to the former method of calculating payment.

(ii) at the end of the trial period, or within one month thereafter, the employees in the department or departments concerned ask through their Union officials, and by giving notice to the employer in writing, that the method of calculating payment revert to the method used before the system was introduced. In all such cases the employer and the Union officials shall try to reach agreement as to whether the system shall continue and if need be shall consult the local Arbitration Board and, if necessary, extend the trial period. If subsequently, no agreement is possible, then the employer shall revert to the previous method of payment within two months from the date of receiving notice to revert.

(f) When agreement has been reached on the general principles governing the application, the officers of the Union agree to co-operate to obtain the employees' co-operation in the application and maintenance of the system.

(g) The system in no way invalidates the requirements of employees to comply with all the employer's safety regulations and employment conditions.

1.3

Calculation of Values

(a) Values shall be based on the measurement of work in standard units known as Standard Minutes or SMs and payment for productive work shall be made at the rate of so much per SM produced according to the grade rate of the particular operation.

(b) Values shall be so assessed that, under properly organized and controlled incentive conditions, an average employee working at an "incentive rate" of output can produce 80 SMs in one hour and maintain this over the day whilst taking a reasonable proportion of rest.

This rate of output is called 80 (or 133) performance. Thus for a job carrying a value of 20 SMs the hourly output over the day for an 80 (or 133) performance would be:

$$\frac{80}{20} = 4 \text{ units of work per hour}$$

NB On the 60/80 scale.....60 represents basic effort
80 represents incentive effort

On the 100/133 scale.....100 represents basic effort
133 represents incentive effort

Adequate allowance shall be made in all values for fatigue, personal needs and such contingencies as cannot be expressed as element times. Details are available on the study summary cards.

Values issued shall be for good quality work only. Defective work caused through negligence of an employee shall be rectified without further payment to the employee. Values may be calculated from synthetic data by agreement between the employer and local Union officials. Disputed values must be checked in the department concerned by normal time study methods.

1.4 **Job Specification**

A detailed description of the methods used in the job shall be issued before Time Study work commences, following which details of elements and a complete specification shall be recorded on study summaries which will be available for inspection by the employees and/or their representatives.

1.5 **Maintenance of Values**

(a) An SM Value is valid, without variation, for work performed under the standard conditions upon which it was based.

Standard conditions are those applying at the time of issue of the SM value and job specification. They include the condition and type of material, machinery, equipment and workplace layout in use, the specified quality objective and methods of operating observed.

To give all employees a fair opportunity to achieve performances consistent with the effectiveness of the effort and skill they employ, the following shall apply:

Standard conditions must be maintained and failing this;
Improvement or deterioration in standard conditions will necessitate a review of the invalidated SM value.

Revision will be made only to those element times found to be affected by a change from standard conditions.

(b) Incorrect values which are the result of clerical error shall be corrected after demonstration of the error.

(c) Values set can be reassessed and changed by mutual agreement between the employer and the employee or the employee's representative(s).

(d) Where a revision of SM value is necessary, the employee and his union officer must be notified of the change in standard conditions and the new value. Where appropriate, the new value may be implemented with a temporary allowance, diminishing over a limited period.

(e) The employer reserves the right to study any operation with a view to increasing efficiency by the introduction of improved standard conditions.

1.6 **Grading Of Operations**

By use of a recognized method of job evaluation a list of graded operations shall be produced.

This list of proposed job gradings shall be produced, together with detailed job descriptions defining standard conditions.

This list shall be discussed between representatives of the employer and the Union in order to agree it.

The list, when agreed, shall be registered with the local Arbitration Board together with any subsequent revisions and/or additions.

There shall be three grades of operation.

Grade "A" Operations requiring a high degree of skill and experience and involving a considerable degree of responsibility for the correct use of materials.

Grade "B" Operations requiring a medium degree of skill and involving less responsibility for the correct use of materials than "A".

Grade "C" Operations requiring less skill than "B" and involving little responsibility for correct use of materials.

1.7 **Change of Grade**

Payment of the SMs produced shall be made according to the grade of operation.

1.8 **Rate per Standard Minute**

The system has as one of its objects greater efficiency by the best use of manpower, but regard shall be paid to the principle that such increased efficiency should provide rewards for the employees as an incentive.

The basis of payment shall be calculated from the level of rates per SM for a 60 (or 100) performance for a 39 hour week.

Make up on a daily basis, inclusive of supplementary payments where applicable, may be operated by agreement between the employer and the local Union officer(s).

1.9 **Rate or Earning Protection**

Rate protection shall apply where the introduction of SM values results in a reduction of the existing piecework price for any operation.

Any such reduction shall be made up to the employee as a cash payment for each unit or batch of work completed.

Where earning protection related to performance is found to be more suitable to the circumstances, nothing in this Agreement shall prevent its negotiation.

The rate or earnings protection payment shall be progressively diminished to the correct level over a period of time which shall be agreed between the employer and the Union officer. The details of such agreements shall be registered with the local Arbitration Board.

1.10 **Supplementary Rate**

In a new application a supplementary rate may be paid if departmental earnings, calculated at Time Study rates, are lower than those received from the method of payment in use before the introduction of the System, taken over a period of not less than six months before an application.

The supplementary rate shall be agreed between the employer and the Union officer and the details of the agreement shall be registered with the local Arbitration Board.

In considering the application of a supplementary rate in relation to the earnings capacity of a department before and after the introduction of incentives based upon Time Study, regard shall be paid to the first paragraph of Clause 1.8 as applied to a department.

1.11 **Unmeasured Work**

Any work for which no values are available shall be paid for at not less than 7/8ths of average earnings, provided that the issue of values shall not be unreasonably delayed. Where, after the issue of values, it can be established

that work has been produced in excess of 7/8ths, payment for such excess shall be made retrospectively.

The above provisions shall be operated with regard to the following Code of Practice. The Code in no way invalidates these provisions and it should not be used to change or interfere with existing local practices where these are well understood and operate with the consent of all parties concerned.

(i) In the interests of employers and employees alike, every attempt should be made to establish and issue permanent work values for all work.

(ii) It is recognized that the use of work study engineers' time to measure and set values for certain types of work such as short runs on new and possibly short-lived styles may well be uneconomic.

(iii) It is clearly essential that the accuracy of the study work to be undertaken should not be sacrificed in the interests of speed. However, as a general rule, bulk production work – after initial trial runs and sampling – shall not remain unmeasured for more than a finite period to be determined by local agreement according to the circumstances of the department concerned.

(iv) In order to reduce the incidence of unmeasured work and/or to maintain the incentive for operatives engaged on unmeasured work, employers shall use one or other of the following:

The use of synthetic data for generating permanent values

The use of temporary or provisional values

The setting of output targets for incentive workers on unmeasured work such that those achieving the target in the allotted time would receive payment at the rate of 8/8ths (with a fallback of 7/8ths in the event of failure to achieve the target).

1.12 **Lost Time**

All lost time for periods of five minutes or more, caused through circumstances outside the employee's control, shall be paid for at a rate equal to a 60 (or 100) performance at the trade rate of the operation normally performed or 6/8ths of average earnings or the minimum wage rate for age whichever is the greatest.

1.13 **Samples**

Where samples are paid daywork they shall be at a rate equivalent to average earnings.

1.14 **Repairs**

Repairs, other than those necessitated by the employee's own negligence, shall be paid for on SM values or, if this is not possible, on daywork at a rate equivalent to average earnings.

1.15 **Versatility Schemes**

In order to maintain versatility of labour incentive conditions an employer may agree with the local union officer(s) to operate a versatility scheme.

1.16 **Temporary Change of Operation**

An employee unable to perform his usual operation(s) through lack of work, breakdown, etc., may be given alternative work to which he/she is adapted. In the event of dispute, adaptability shall be the subject of negotiation between the employer and the local union officer(s).

In the case of employees not individually affected by versatility schemes, payment for the alternative work shall be as follows:

- (i) Work to which the employee is fully adapted – the SM value for the new operation or daywork at a rate not less than 7/8ths of average earnings of the employee concerned.
- (ii) Work to which the employee is not fully adapted – the SM value for the new operation, plus an allowance in accordance with Clause 1.17.
- (iii) Employees transferred from their usual operation when there is a full supply of work available on their usual operation shall be paid their average earnings.

In all cases, a “fully-applied” employee while engaged on such alternative work under the provisions of this clause, shall receive not less than a rate equal to 7/8ths of average earnings, or the minimum wage rate for age, whichever is the greater.

1.17

Procedure for Training and Re-training

A “fully-applied” employee may be required to undergo training or retraining in accordance with a written programme of payment which shall be agreed between the employer and the local union officer(s) and which shall include the provision of appropriate training allowances.

Wherever possible, the programme shall be such as to assist and enable the trainees to achieve their average earnings.

APPENDIX II

The Management of Redundancy

1. What is redundancy?

Redundancy arises if an employee is dismissed as a reason of:

The employer ceasing or intending to cease to carry on the business.

The employer ceasing or intending to cease to carry on the business in the place where the employee was employed.

The requirement of the business for the employee to carry out work of a particular type in the place at which the employee was employed has ceased or diminished or is expected to cease or diminish.

2. Consultation

Whilst it is the responsibility of management to make the decisions regarding dismissals due to redundancy, there is a statutory requirement to consult with the recognised trade union at the earliest opportunity.

Employment Tribunals will find dismissals due to redundancy unfair if adequate and meaningful consultation has not taken place.

Consultation must be seen to be meaningful and must address:

The avoidance of dismissals.

Reducing the numbers to be dismissed.

Mitigating the consequences of any dismissals.

In any consultation the employer must disclose the following details in writing:

The reason for the redundancy proposals.

The numbers and descriptions of the employees to be dismissed as redundant.

The total number of employees of each description employed at the establishment.

The proposed method of selecting the employees to be dismissed.

The proposed method of carrying out the dismissals with due regard to any agreed procedure.

The amount of redundancy pay if in excess of the statutory minimum.

During the consultation the employer must:

Consider any representation made by the workers' representatives.

Reply to such representations and if rejected, state why they are rejected.

3. Selection

In order to ensure a fair and equitable approach to the selection of employees for redundancy, it is recommended that the following factors be considered, however this list is not exhaustive.

The need to maintain a balanced productive labour force, which would favour employees with the ability to perform several operations;

Length of service;

Family responsibilities;

Juveniles should be retained, whenever possible, in order to continue their training but the substitution of redundant adult employees by juveniles should be avoided;

Special consideration should be given to **disabled** employees;

In applying the above factors or any additional factors in selection for redundancy it is essential that the application is, as far as possible, objective and can be proved to be so.

Local Union officers and accredited Community representatives should be informed of the decision as soon as possible and notice to those to be made redundant should be as long forward as possible, subject to the minimum statutory requirements on consultation, notification and individual periods of notice.

4. Notification of Redundancy to the Department of Trade & Industry.

If an employer is proposing to make 20 or more employees redundant at any one establishment there is a legal obligation to notify the Secretary of State of this proposal in writing.

The timescale of notification is based on the following lines:

100 or more employees at any one establishment– at least 90 days' notification before the first dismissal takes effect.

Between 20 and 99 employees at any one establishment– at least 30 days' notification before the first dismissal takes effect.

Notification is made on the government form HR1. Failing to follow the notification procedure may result in criminal proceedings, which can lead to a fine.

5. Entitlement to Redundancy Payments

Entitlement to a redundancy payment is calculated by reference to

The period during which the employee was continuously employed.

Age of the employee during the above period.

Details of the calculation of redundancy pay must be given to the employee in writing.

6. Alternative Employment

Every effort should be made to find suitable alternative employment for employees faced with redundancy.

If alternative work is available it should be offered to the employee with full details of the terms and conditions involved.

If the employee accepts the offer, a four week trial period follows. If during this period the employee feels that the job is not suitable, he or she can resign and claim that they have been dismissed by reason of redundancy. The employer may dispute this.

7. Time Off

An employee who is going to be made redundant is entitled to request reasonable time off with pay to seek alternative employment or to make arrangements for training for future employment.

Appendix III - sick pay scheme

1. Eligibility

All employees who have completed one year's continuous service with the company at the start of the relevant period of absence are eligible for company sick pay subject to the conditions shown below.

2. Entitlement

- a.** Company sick pay will be due for 12 weeks of sickness absence. This is a maximum in any 12-month period.
- b.** Company sick pay will not be due for the first 10 working days in any period of absence but this is reduced to 5 days if sickness lasts or will last for more than three weeks.
- c.** An employee continuously absent through certified sickness or injury shall be entitled to receive sick pay for the twelve month period from which the absence started and for the next twelve month period, subject to a maximum of 24 credited weeks in total, and 12 weeks in any one twelve month period. No further sick pay entitlement shall accrue until the employee resumes work.
- d.** The company sick pay due in respect of qualifying absence is:
 - i)** Where an employee is absent for up to 15 working days (21 calendar days) payment is as follows:-
 - 0-3 working days, no payment (waiting days)
 - 4-10 working days, SSP only
 - 11-15 working days, 60% of average earnings
 - ii)** For 12 weeks of sickness absence after the first 10 working days i.e. from the 11th working day of absence
 - iii)** Payment at the rate of 60% of normal average earnings for contractual hours for the first four weeks (calculated over the past 8 weeks preceding the sickness absence) less normal deductions for statutory sick pay or state sickness benefit which the employee is due in respect of the incapacity, followed by up to eight weeks at 75% of average
- e.** Company sick pay is made inclusive of SSP and will count as earnings for the purpose of National Insurance and income tax calculations.
- f.** During paid sickness absence regular deductions from pay which the employee has agreed will continue to be deducted such as trade union contributions, pension, AVC, BUPA, BHSF etc.
- g.** Entitlement will transfer with an employee who moves directly from one employer to another because of redundancy.
- h.** If a medical certificate is received within the first three weeks of absence signing the person off work for more than a three week period, then payment will be made as soon as possible from the sixth day of absence onwards, retrospectively if necessary.

3. Conditions

- a.** To qualify, all periods of absence must be covered by a company issued self certification form, and a doctor's statement as specified in the terms and conditions of employment. Unless the first doctor's certificate shows a date for return to work, a final certificate must be obtained before returning to work.
- b.** Eligibility ceases on the day that an employee leaves the company.
- c.** Payments are made on condition that an employee will be subject to a medical examination by a company doctor if the management consider this necessary.
- d.** Company sick pay will not be due for periods of sickness where holiday pay applies, nor will it be due where the absence is solely due to maternity leave.
- e.** Employees must not do any other paid work whilst in receipt of company sick pay. Such conduct will result in disciplinary action.
- f.** Employees whose absence results from their own negligence or misbehaviour will not be eligible for company sick pay.