

# GMB RESPONSE TO ASDA CONTRACT PROPOSALS

## Introduction

In 2017 ASDA introduced the Your Choice, flexible contract. Contract 6, as it became known, paid £1.00 per hour more than contracts 1 to 5 and was voluntary for existing colleagues.

Since its introduction, according to ASDA over 50,000 colleagues are now on Contract 6. Of these, 30,000 are new employees and nearly 21,000 (18%) have signed the new contract voluntarily.

The latter number includes colleagues who have been promoted or moved from section leader posts. This reduces the voluntary sign up figure by another 5,000 to around 13% of colleagues.

Since the Your Choice, flexible contract has been in place the hourly rate between those on Contract 6 and other ASDA contracts has reduced from £1.00 to 63 pence per hour.

The current Contract 6 rate is £8.84 per hour and contract 1 to 5 rate is £8.21 per hour in line with National Living Wage (NLW) which the Government wishes to increase to £9.00 per hour.

## ASDA Proposals

ASDA announced on Tuesday 9th April 2019 that they were commencing collective consultation to put all ASDA hourly paid colleagues on to the flexible contract and the headline rate of pay would be £9.00 per hour.



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The new contract proposal also included:

- Agreed number of hours and base location.
- Change of colleagues, role, duties, shift pattern, the days, and number of days worked and length of shift and/or start and finish times with a minimum of three weeks notice.
- Meal breaks would be unpaid and determined by shift length.
- The night window would be reduced to 12am to 5am.
- The night rate would be new basic rate plus a night supplement.
- Colleagues would be asked to work all and any bank holidays except Christmas Day, Boxing Day, and New Years Day (festive holidays), which would remain voluntary.
- Bank Holidays would no longer attract a supplement, except the three festive holidays which would be paid at double time.
- All colleagues would be allocated 28 days annual leave and any additional long service entitlement would continue as before.

ASDA is proposing to collectively consult for a minimum of 45 days. If the decision is taken to enact the proposals ASDA will then start the 1 to 1 process with 68,045 and potentially the existing contract 6, 50,833 colleagues.

ASDA have stated any colleagues unwilling to agree and accept the proposed contract would potentially be served notice of their current

contract and offered re-engagement on the new terms and conditions to take effect at the end of the notice period, with no further compensation. And should the colleague not wish to accept the new terms, they would then be dismissed.

## GMB Response

We do not believe that threatening colleagues with dismissal is the right way to start discussions about introducing a new contract. Colleagues cannot believe ASDA is taking this approach. Other employers may have gone down this route, and to their cost, but ASDA colleagues expect more from ASDA.

Colleagues are shocked and angered by the way this has been briefed out at store level. Colleagues report that if they don't sign they will have resigned, dismissed in 12 weeks, no flexibility, no job, termination, no redundancy; the list goes on.

Comments like this do not give colleagues confidence in a flexible contract with a three week notice clause. The overwhelming view is that this will be abused.

The view of GMB members is that ASDA should be doing this differently. This is not in the spirit partnership working. When GMB surveyed ASDA colleagues recently over the merger 94% of colleagues called on ASDA to negotiate pay and conditions with GMB.

**We believe ASDA should be sitting down with GMB and negotiating.**

**We believe ASDA should be seeking a collective agreement not imposition.**

If this is good enough for colleagues in Northern Ireland it should be good enough for colleagues here.

The GMB will fight any imposition of the new contract.

## GMB Member Survey

The GMB surveyed members on the proposed changes. In the first week we received just fewer than 6,000 on-line responses. This has increased

to 8,500 online and GMB reps and organisers are also surveying colleagues in store.

The three most important issues to ASDA colleagues are

- The rate of pay
- Bank Holiday working and payments
- Flexible working protection

92% of colleagues believe the flexible contract should be voluntary. GMB feel that contract 6 should not be imposed but remain totally voluntary.

We asked colleagues why they had not signed up to contract 6 in the last two years. Here's a flavour of what colleagues have said:

*I will be worse off*

*Flexibility, I have grandchildren and need to be available for them*

*No public transport on bank holidays*

*Concerned about flexibility*

*Lose hours because of unpaid breaks*

*Don't want to be made to change department*

*Because I have small children and current flexibility suits my childcare*

*I can only work certain hours and shifts because of caring responsibilities and partners work.*

*Not getting time and half for bank holidays and loss of floating day.*

*Would lose out on paid breaks, bank holidays and hours*

*It's not a fair contract*

*Works out less pay after unpaid meal breaks  
Lose benefits and pension credits*

*Don't want to have to work all bank holidays  
Less holidays*

**ASDA colleagues will Lose Out**

ASDA colleagues calculate they will be worse off under the terms of the new contract. The 9.00 hourly rate will not offset what colleagues will lose from the loss of paid meal breaks, the loss of hours, change to the night shift window and flat rate bank holiday working.

## Examples

Midland & East Coast report - Everyone in their stores have worked out significant losses. Twilight shift are set to lose £58.50 per month. Nights and Days are roughly losing £100+ per month. Old World Colleagues have worked out they will lose around £1300.00 per year, Bank Holidays & Breaks. Night Bakers will lose £200.00 per Month, Home Shopping Pickers will potentially lose £45.00 per week, Section Leaders who are not on Contract 6 will lose £883.00 per year.

There is also the uncertainty of what will happen next year and beyond. Colleagues are very aware that the contract 6 differential has reduced since its inception and colleagues fear this happen again with the new contract.

## GMB Proposals

The GMB has surveyed members, held branch meetings, regional briefings and a national shop stewards meeting to consider its response to ASDA's proposals.

There are a lot of strong feelings amongst ASDA colleagues and unhappiness that the promise of Your Choice, is now, No Choice.

There is a lot of frustration and anger out in stores. Colleagues have gone through numerous hours reductions, process changes and colleague numbers have been cut to the bone.

The proposed merger and the CMA investigation created further uncertainty and now colleagues are facing the prospect of having a contract that they don't want forced upon them.

The GMB survey and feedback from meetings identified the biggest issues as being

- The rate of pay
- Bank holiday working and payments
- Flexible working protection

The GMB counter proposals concentrate on these three issues, and the night window, the other matters identified in responses from GMB members and identified in the collective consultation will be picked up by GMB national representatives in the collective consultation meetings.

## The Rate of Pay

Colleagues have reported to us that they have done the calculations and they will be worse off under the new contract. The 9.00 hourly rate does not offset what they will lose. In the merger and flexible contract surveys colleagues wanted an hourly rate comparable or higher than the Sainsburys rate of pay.

The GMB and ASDA are engaged in on-going equal pay for work of equal value litigation. The most recent Court of Appeal decisions were delivered in February 2019 and the cases are in the job evaluation stage.

**The GMB proposal on the rate of pay is that within three years, the ASDA retail rates should be brought in to line with ASDA distribution employees' hourly rates.**

## Bank Holidays

ASDA doesn't need every colleague to work every bank holiday, so why is this being written into the new contract. It is unnecessary and has created a lot of stress and uncertainty for colleagues.

**The GMB proposal is that colleagues would be required to work no more than 2 bank holidays and the 3 festive holidays should remain voluntary. Payment should be double time for festive holidays, other bank holidays at single time and a day in lieu.**

**The 2nd January should be classed as a bank holiday in Scotland.**



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## Flexibility

This is a major issue for colleagues and one that kept coming up as reasons why they had not signed up to contract 6.

Colleagues have great fears that the conversations in store will not take place and instead they will be given 3 week notice. The flexibility clause goes too far and way beyond what is needed in store.

**The GMB proposal is that flexibility should remain voluntary but we would be open to a discussion regarding shape of day in stores.**

## Night Window

During the collective consultation process ASDA have struggled to justify why the changes to the night window is being proposed. From feedback we've received from members;

**The GMB proposal is that the current night window of 10pm to 6am and supplements should be remain the same as contract types 1-5.**

The current night shift window is 10pm to 6am and this attracts a supplement. The Asda proposal reduces the night shift window to midnight to 5am with a slightly enhanced supplement.

GMB night workers believe the increased supplement will not off set the loss because they will also lose paid meal breaks.

## Collective Consultation Process

The GMB is conscious that the collective consultation period is due to close on 23rd May 2019 and our aim is to properly consult our members prior to any 1 to 1's taking place.

With this in mind we would like a response to the GMB proposals within the next 14 days.

Yours sincerely,

**Gary Carter**  
National Officer | GMB Union

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# 92%

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“ “ ” ”

GMB will fight the  
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who aren't members?

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