



STOP
THE
BRITISH
GAS
FIRE

GMB
UNION

GMB at British Gas & PH Jones (Centrica)

Background

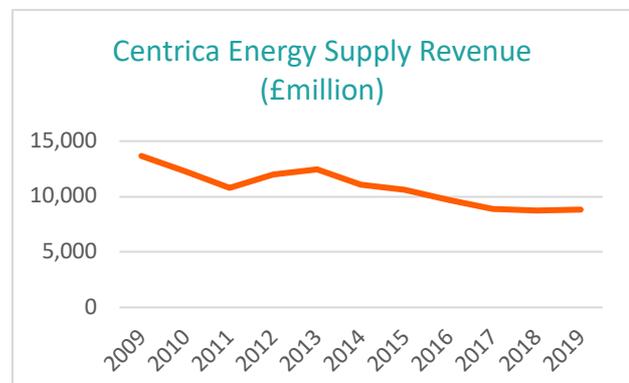
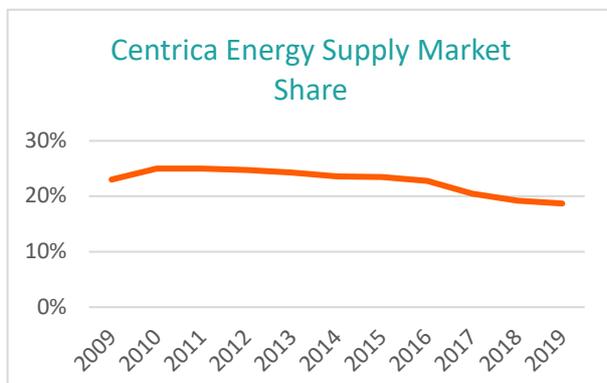
GMB is the biggest union in British Gas and PH Jones, with over 10,000 members in every part of the business – 80% of the union membership in the company.

Over recent years, British Gas – under parent company Centrica – has seen falling revenues and market share. External factors affecting the company's performance include loss-making new entrants to the sector and the SVT cap on energy prices, but GMB believes that there have been serious misjudgements by executives.

It has been the workers that have paid the price for these failings. Over the last five years the workforce has been reduced by 15,000 worldwide. Centrica has around 20,000 UK-based staff out of 27,000 worldwide. There have been huge cuts to pensions and changes to the ways of working as well, which GMB members have had to bear the brunt with every time.

Meanwhile, Centrica has continued to pay out millions to shareholders.

In April 2020, former Finance Director Chris O'Shea became CEO of Centrica, the owner of British Gas.



Source: Ofgem

What has happened now

In June a further 5,000 redundancies were announced (with 1,250 of those now temporarily on hold since August).

GMB has longstanding recognition agreements across the business. From call centres and office-based staff to service, repair and installation, gas and electrical engineers through to smart metering engineers. We have 97% density across the workforce. GMB is the only union at PH Jones.

In June, the company served six months' notice on all our recognition and other collective agreements.

In July, further changes were proposed for the entire UK-based workforce. Changes include:

- cuts to pay
- no enhanced overtime pay, all hours worked at flat time
- changes to the working week to make Monday to Sunday "normal days"
- reductions in annual leave and sick pay
- "normal" hours to be changed from 8am–8pm to 6am–11pm, 7 days a week
- increases in the hours worked each week with no more pay

Before the company had even finished presenting these proposals, Centrica said it also wanted what it called an "insurance policy" to be used if the workforce did not "accept". Along with the HRI and s188 statutory redundancy notices, Centrica said it would simply fire and then rehire all 20,000 UK employees on the new terms if they did not "agree" to the changes.

Even though the decline in the business has been evident for years, the approach by the company has not been to work with unions to make changes, but instead to cut yet more jobs and then attempt to impose new terms on the workforce.

As with the example of British Airways, GMB is concerned that this tactic is becoming the norm. It seriously undermines the bond of trust that workers have with their employers and the role that unions can play in building successful companies and protecting members.

GMB believes that meaningful negotiation is not possible while Centrica continues with its threat of fire and rehire and its unrealistic proposals. We have consulted our members on whether to proceed with an industrial action ballot. The ballot closed on 18th August. With over two thirds turnout, 95% of members voted in favour of proceeding to an industrial action ballot.

<https://www.theguardian.com/business/2020/aug/19/british-gas-faces-industrial-action-over-fire-and-rehire-plans>

What we are calling for

Centrica say that they need to make changes to the business to allow them to compete. But their approach has been to attempt to impose the changes on workers and threaten them with the sack if they don't agree.

We want to work with Centrica on a shared recovery for the business which involves the workforce and ensures that necessary changes are made *with* the workers, not to them.

The approach that management have taken so far has not made this possible. There is still time for the company to negotiate in good faith, but first they must withdraw the redundancy notices and take the threat of the fire and rehire off the table and get real about what is achievable.

What you can do

1. Write to Centrica Chief Executive Chris O'Shea, chris.oshea@centrica.com, to ask that he withdraws his threat to fire and rehire the workforce and starts meaningful negotiations. [You can find a draft letter here: https://www.gmb.org.uk/centrica_mp_email](https://www.gmb.org.uk/centrica_mp_email)
2. Let us know when you have sent a letter and share any response you get.
3. Join our MP's call with British Gas reps. 3.30pm–4.30pm Thursday 10th September. Your office can email Tom Warnett on tom.warnett@gmb.org.uk to make arrangements.
4. Support GMB members in British Gas on social media using the hashtag [#StopTheBritishGasFire](https://twitter.com/StopTheBritishGasFire).
5. Call on the Government to give greater protections for workers against fire and rehire tactics.