



## **News for Members of the East Midlands Gas (Southern) Branch**

3rd September 2020

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Dear Member,

### **News for Members of East Midlands Gas (Southern Branch)**

On 25<sup>th</sup> August UNISON received a HR1 from the company. This correspondence announced the fact that the company is seeking to reduce the number of employees in a number of areas within the business. Since that time two consultation meetings have taken place. In light of this we are writing to you in order to provide you with an update.

### **Reasons for the Proposals**

The Company has identified the reasons for the proposed reduction in headcount by saying to us that they wish to bring together a "new" Centrica Business Solutions and to "continue and accelerate the simplification of British Gas Business, so that we can compete well in a crowded energy supply market". In simple terms the company is seeking to reduce its cost base.

### **Impact**

As far as the impacted areas and the proposed number of redundancies is concerned the company has highlighted that:

1. The current workforce within CBS/UKB is 1,944 and from this figure some 384 people are "at-risk" of redundancy.
2. There are 217 "at-risk" due to reorganisation of which 120 are within Enterprise.
3. 115 are due to site closures.
4. In terms of level 7 and 8 employees, 62 level 7 roles and some 113 level 8 roles are "at-risk" due to the reorganisation. With reference to site closure there are 57 level 7 roles and 71 level 8 roles "at-risk".

## **Locations**

At the time of writing, UNISON has not yet been informed as to the site basis to the redundancies arising from the reorganisation, for example we do not know the proportion of roles which will be redundant at Leicester or Cardiff. We have requested this information and will share it with you once it has been received.

## **Mapping into Roles within the new Structure**

This is due to be discussed at our next consultation meeting after which UNISON will provide a report back for members.

## **Closure of Oxford Site**

The company has said to us that on 12th August they announced their proposal to close the Oxford site. During February 2020 they shared that as part of their refocus they were intending to exit the Oxford site by April 2021 as the site had now become in their view "too big and expensive for our needs". They also shared that they would consider new ways of working so that colleagues at Oxford can continue to serve our customers.

The company currently has 268 people based in the Oxford office. Their original intention was to trial homeworking. However due to COVID19, all Centrica employees were required to work from home for the foreseeable future as the business were required to temporarily close all our sites. As such, all colleagues based at Oxford have been working from home since March 2020.

The company's proposal is to exit the site by the end of the year and change colleagues contractual workplace to home based by 1st January 2021.

The company anticipates that, in most cases, colleagues will move to home-based working and therefore that there will not be dismissals as a result of the closure of Oxford, with the exception of any specific site based roles

Where colleagues advise that home working is not suitable, the company will discuss this on an individual basis and, if agreed that home working is not suitable, this may result in redundancy due to the site closure.

Individual consultation will take place with the impacted employees at Oxford.

## **Purpose of the Consultation**

The purpose of the consultation is to see what can be done to avoid the dismissals and/or to mitigate their impact; and to put forward any counter proposals. UNISON will do all it can during the consultation to try and mitigate the impact of the redundancies; to answer your questions and to arise matters on your behalf during the consultation.

## **Expressions of Interest (EOI)**

One feature of the company's response is to allow staff to express an interest in being made redundant; this is referred to as an expression of interest (EOI). Where it is proven necessary that job reduction is required UNISON believes that seeking volunteers is an important step which should be taken so as to avoid compulsory redundancies wherever possible. We have also asked that they look at widening the opportunity of voluntary redundancy across unaffected areas to maximise redeployment opportunities; the company has so far resisted this request stating that it would draw out the reorganisation.

EOI will be available for those who as a result of the reorganisation are placed into selection pools. The company has advised UNISON that the process of expressing an interest will be done via an online application. This will have access to key information to help employees make this decision. If employees wish to complete an Expression of Interest the decision will be binding (i.e. you can't change it). This is so that business can respond quickly as possible and in their words *fairly* to everyone about their impact.

The company is not promising that they will be able to accommodate all preferences and want to manage employees' expectations in this respect. The decision as to whether EOI can be supported will be solely at the Company's discretion and will include evaluation based on the need to retain *existing & future talent and affordability*.

## **Redundancy Terms**

There are two redundancy payments schemes within the company, namely the GSSO scheme for those with such contracts of employment, and the Centrica enhanced scheme for non-GSSO Staff.

GSSO redundancy terms Length of service by age Number of weeks' basic pay calculation

For each year of continuous service under the age of 22  $0.5 \times \text{week's basic pay} \times 3$  (minimum 2 weeks' pay)

For each year of continuous service between the ages of 22 and 40 inclusive  $1 \times \text{week's basic pay} \times 3$

For each year of continuous service at age 41 and over  $1.5 \times \text{week's basic pay} \times 3$

Eligible service years are capped at 20. The calculation will use the 20 most recent years' service

For non-GSSO Staff the proposed discretionary enhanced redundancy payment is in addition to (not inclusive of) the statutory redundancy payment.

The Statutory redundancy pay Length of service by age Number of week's basic pay calculation.

For each year of continuous service under the age of 22 0.5 x week's basic pay capped at £538\*

For each year of continuous service between the ages of 22 and 40 inclusive 1 x week's basic pay capped at £538\*

For each year of continuous service at age 41 and over: 1.5 x week's basic pay capped at £538\*

A maximum payment entitlement of £16,140\*

A cap on length of service of 20 years and the calculation will use the 20 most recent years' service

A minimum qualifying period of 2 years' continuous employment \* Statutory cap applicable for redundancies which take effect before 6 April 2021

Discretionary levels redundancy pay Length of service by age Number of weeks' basic pay calculation

For each year of continuous service under the age of 22 0.5 x week's actual basic pay\*

For each year of continuous service between the ages of 22 and 40 inclusive 1 x week's actual basic pay\*

For each year of continuous service at age 41 and over: 1.5 x week's actual basic pay\*

If an employee's statutory redundancy pay and their discretionary payment combined is less than 1 month's actual base pay, we will top up the discretionary payment to ensure the overall payment is a minimum of 1 month's base pay

A cap on length of service of 20 years and the calculation will use the 20 most recent years' service

\*Not capped at £538

### **Outplacement Support**

UNISON believes that there needs to be outplacement good support for impacted employees to ensure that if they are redundant they are equipped to deal with the challenges of the jobs external market.

### **Training Grants**

In previous reorganisations UNISON has helped secure training grants for employees as part of the measures to mitigate the impact of the redundancies. This is something we will be pressing the company to put in place.

Centrica SHAREPOINT site link:

<https://centricapl.sharepoint.com/sites/HR/ETT/SitePages/CBS%202020.aspx?RootFolder=/sites/HR/ETT/Docs/CBS%202020&FolderCTID=0x0120003920AB5397B0884E803A179DFC1DFA63&View=%7bF40DFBEE-6A2A-4D42-899B-31CCC7BAD289%7d>

### **Contacting UNISON**

We would welcome your feedback on the company's proposals or hear from you in respect of any queries you have in light of the situation.

Yours sincerely

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