The Labour Court
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THE LABOUR COURT

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CD/22/62

RECOMMENDATION NO. LCR22597

CCC. C. No C -165992-21

INDUSTRIAL RELATIONS ACTS 1946 TO 2015
SECTION 26(1), INDUSTRIAL RELATIONS ACT, 1990

PARTIES :

TESCO IRELAND

- AND -

MANDATE &
SERVICES INDUSTRIAL PROFESSIONAL TECHNICAL UNION

DIVISION :

Chairman : Mr Foley
Employer Member : Mr Marie
Worker Member : Mr Bell

SUBJECT:

1. Pay Claim.

BACKGROUND:

2. This matter could not be resolved at local level and was the subject of Conciliation Conferences under the auspices of the Workplace Relations Commission. As agreement was not reached, the matter was referred to the Labour Court on 24 March 2022 in accordance with Section 26(1) of the Industrial Relations Act, 1990. A Labour Court hearing took place on 17 May 2022.

UNION'S ARGUMENTS:

3. 1. The Union are seeking a pay increase of 10% on all pay rates for a 12-month period from 1st April 2021.

   2. The Union are seeking payment of an outstanding 8% of pay increases due to staff recruited prior to 1996 / 1997.

   3. The Union are seeking changes to the starting rates of pay within the current pay scales.

EMPLOYER'S ARGUMENTS:

4. 1. The Employer proposes a 10% increase in base pay covering the period from April 2021 to end of March 2024, consisting of 2% from 1st April 2021, 2.5% from 1st April 2022 and 3% from 1st April 2023 and a final 2.5% relating to 'consolidation of pay'.

   2. The Employer proposes a new probationary rate of €12.35 for new Employees from 1st April 2022, with an increase of 3% to be applied to this rate in 2023.

RECOMMENDATION :

The Court has given careful consideration to the submissions both oral and written made by the parties at its hearing and is familiar as a result with the pathway of engagements to date in relation to the matters before the Court.

The parties have, for a number of years, been unable to maintain effective collective bargaining on a range of matters including pay. The Court understands, for example, that pay growth in recent years has not been based on the outcome of bargaining between the parties.

It is, in the view of the Court, a positive development that, against that background, the parties have engaged constructively and with a commitment to collective bargaining in order to achieve an agreement on pay and related matters to cover the period from 1st April 2021. It is not surprising to the Court however that the process of engagement has been difficult.

The Court made extensive efforts on the day of its hearing to ensure that it developed the fullest possible understanding of the positions of the parties.

The priority of the Trade Union side can be described as being confined to pay growth. In that pursuit the Trade Union side has proposed a one year pay agreement to significantly increase pay with effect from 1st April 2021. In addition, the Trade Union side has raised claims regarding starting rate of pay and other matters.

The employer has offered significant pay increases across the lifetime of a three-year agreement and has proposed, as part of such an agreement, a restructuring of the pay framework which it described as 'consolidation of pay'. The employer maintains that 'consolidation of pay' will enable greater levels of pay increase for the vast majority of the members of the Trade Unions as well as achieving a sustainable pay model.

It is important that the process of addressing the claim before the Court has amounted to a return to collective bargaining after some years. It is the Court's understanding that this employment had previously had a long history of voluntary collective bargaining and the voluntary conclusion of collective agreements dealing with terms and conditions of employment and the implementation of change. The practice of such collective bargaining has not been a universal feature of the sector or indeed of practice in competitor employments throughout the period.

The Court believes that the parties' renewed commitment to collective bargaining should be recognised by them as a positive development which offers the possibility of a strengthened relationship.

Against that background however, it is the view of the Court that fundamental differences exist between the parties in respect of the key potential ingredients of a possible collective agreement on pay and related matters at this time. Those differences are, in the view of the Court, of such significance as to mean that the parties should confine their present efforts to stabilising their collective relationship through the achievement of a voluntary collective agreement which is reasonable in the circumstances, and which creates a platform for continuing engagement on the priorities of both sides.

The Court, in this context, notes that both parties are agreed that that any agreement which might be reached should provide for a pay increase to apply from 1st April 2021. The Court also notes the trend of pay movement generally in the sector in 2021.

The Court, therefore, taking account of these factors, recommends that the parties should conclude a 12-month agreement to have effect from 1st April 2021. That agreement should provide for an increase in pay of 2.5% with effect from that date. This increase in pay should apply to all members of the Trade Unions including "pre-1996 / 1997" staff.

The Court recommends that the parties should re-engage thereafter on pay and associated matters with a view to achieving a voluntary agreement to have effect from 1st April 2022 or whatever date might be agreed by the parties which would address the priorities of both sides in terms of pay and the related matters identified in discussions to date.

The Court so recommends.

Signed on behalf of the Labour Court

Kevin Foley

Chairman

TH
27 May 2022

NOTE

Enquiries concerning this Recommendation should be in writing and addressed to Therese Hickey, Court Secretary.