

**Thomas Cook Airlines Ltd**  
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**Martin Browne**  
Unite Representative  
Unite Union

*Delivered by Email*

1 November 2011

Dear Martin,

**Re: Stage 2 Collective Dispute: Las Palmas – temporary basing of Cabin Crew**

I write in conclusion to the meeting you attended on 24 October 2011 regarding the temporary basing of Cabin Crew in Las Palmas from October 2011 until April 2012, specifically –

- The remuneration (terms and conditions) of the Cabin Crew to be based in Las Palmas;
- Consultation and negotiation between the Company and Unite in relation to this remuneration;
- How the Cabin Crew will be paid on this secondment;
- The selection of the Cabin Crew for this secondment;
- The risk assessment carried out on the self catering accommodation for Cabin Crew in Las Palmas;
- Less favourable treatment of the Cabin Crew in comparison to the Pilots.

The meeting was heard under Stage 2 of the resolution of disputes procedure. Present at the meeting was June Knox and Dougie Kirk, Unite Representatives, Sarah Davies, HR Manager, Jacqui Doyle, HR Administrator in the capacity of note-taker, yourself and me.

I will respond to each of the above points in turn.

**The remuneration (terms and conditions) of the Cabin Crew to be based in Las Palmas**

The terms and conditions are as current Cabin Crew terms and conditions, the only difference is the change to the percentage commission that we proposed to pay to Cabin Crew on this secondment. We discussed that the rate of commission paid to Cabin Crew is not contractual. You raised that it was confirmed in a collective agreement of 2009 that commission was 12% inferring it was contractual. The document was an agreement relating to aircraft crew complements, not a remuneration agreement. The commission rate was included in that for information only. It is therefore not a contractual element.

All the Cabin Crew now based in Las Palmas knew in advance that the proposed commission rate was originally 8% and applied voluntarily for the secondment with that knowledge. As you know we are now paying 12% commission to Cabin Crew based in Las Palmas. The change came about due to a misunderstanding as to the current rate of commission payable to TCX Cabin Crew, our colleagues in TCAS were initially of the understanding that TCX Cabin Crew receive 8% commission, once this was clarified it was agreed that TCX Crew should receive 12%. The

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misunderstanding was recognised and amended prior to the receipt of your dispute. We wanted to advise Unite before we confirmed this to the Cabin Crew and did so at the October JCNC.

### **Consultation and negotiation between the Company and Unite in relation to this remuneration**

The Company did consult with Unite and the Reps; we sent the memo prior to distribution to Cabin Crew and responded to respective points raised. I do accept that it was not sent long before distribution due to the time constraints placed upon us at the time. However, I would like to point out that as this was a voluntary scheme we were only required to send information on a 'for information' basis. Given that we were not changing T&Cs negotiation was not relevant in this case. For similar arrangements that arise in the future I will endeavour to ensure that we give you more time to consider the basis of the arrangement and provide feedback that balances both the needs of the Cabin Crew and the commercial interests of the business.

You also raised that you believed that Balpa and the Engineering Representatives knew about the potential Las Palmas opportunity far in advance of you the Cabin Crew Unite Representatives. Balpa may have been advised of a potential winter detachment to Las Palma through their normal bi-monthly Union meetings (equivalent to our then suspended bi-monthly JCNC meetings). A standard agenda item at Balpa meetings is a 'Business Update'. Whilst this might have included an overview of potential winter detachments, such as the Hajj, Westjet and Las Palmas this would not have been to the level of the detail you are suggesting.

### **How the Cabin Crew will be paid on this secondment**

As per my response above, FDA is unchanged. The opportunity for Cabin Crew to be based in Las Palmas this winter should be likened to the opportunity for Cabin Crew to be based at Leeds Bradford for the summer months. FDA is paid for the flight duty period at Leeds Bradford as it is in Las Palmas. Cabin Crew based in Las Palmas have the enhancement of having accommodation provided and transport to and from the airport provided. The Company are not obliged to incur this additional substantial cost and if any of the Cabin Crew want to source their own accommodation in Las Palmas they are more than welcome to do so. They would be required to fund this themselves, ensure that the accommodation is within the agreed call out time and arrange their own transport, all of which Cabin Crew from NCL, MAN or EMA have to do if they are temporarily based at Leeds Bradford for the summer months. As per my response above commission is non-contractual, therefore we are not obliged to negotiate. We were required to provide information, which we did as best we could given the timescales involved and the situation we were in (interim Union arrangements). It is worth noting that all the Cabin Crew now based in Las Palmas knew in advance of these terms and applied voluntarily for the secondment with that knowledge.

### **The selection of the Cabin Crew for this secondment**

We provided Unite with an advance copy of the memo which included the selection process. The opportunity was available to all to apply. Selection was made on a 'first come first served' basis. As discussed in our meeting, in normal circumstances selection is usually based on performance, as measured through the appraisal process. The only reason this was not the case on this occasion was due to the very limited time available as outlined elsewhere in this letter/response. All our cabin crew are of course fully competent in their roles and therefore the Company had no operational concerns in opting for a quicker, simpler selection process on this occasion. I do accept

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that this explanation should have been provided in the crew admin notice which would have avoided any confusion. In the meeting you asked that it be confirmed that this would be the exception and would not set precedent for future detachment selection. I can confirm that all things being equal, it is not our intention to move away from performance/merit based selection.

This winter detachment to Las Palmas is a commercial opportunity that assists in addressing the imbalance of work between Summer and Winter, providing more flying hours in our quieter period. Cabin Crew establishment is planned to the peaks in the flying programme, we then calculated the number of Cabin Crew required for the Las Palmas operation as a separate programme. We then looked at the number we needed each month for the UK operation to assess that we could absorb the number for Las Palmas in the shoulder months of November, December and January around our peak requirement for February. So although we are established to 953 Cabin Crew from Nov 1 we do not need that number until the February peak. We were therefore able to absorb the Las Palmas requirement into the UK establishment until such time as part year staff return. It is for this reason that our 'first come first served' selection process was targeted at our permanent full-time cabin crew - it is an opportunity for within our winter establishment rather than additional work that would require additional crew. During the administration for the selection process, this unfortunately translated to 'permanent' employees which has resulted in a small number of 7/5 permanent employees being selected as well as full-time. Whilst this results in the Company carrying additional cost during this winter, we felt it would be unfair on those incorrectly selected to then be informed they were no longer on the detachment, so it was decided that these commitments would be honoured.

Further review of the establishment requirement for this detachment has identified the need for an additional 8 cabin crew. To clarify this will be the top 8 names (permanent full-time) from the first come first served process undertaken.

### **The risk assessment carried out on the self catering accommodation for Cabin Crew in Las Palmas**

You raised concerns that the recognised process had not been followed for the risk assessment carried out on the accommodation that our Cabin Crew are staying in, in Las Palmas.

Having had the opportunity to look into this further since our meeting and having sought advice from our Quality department, I can confirm that the process for assessing accommodation for staff is different from that of a risk assessment that looks at the duties and tasks in the workplace. The company duty of care requirements on accommodation fall in to a different category.

I can confirm that we have followed the same process with the Las Palmas apartments as we would with any other accommodation request. A self assessment was completed by the supplier followed by an audit by a member of the Thomas Cook Airlines quality department. No major concerns were raised from a H&S and Hygiene view.

As the necessary measures have been taken there is no requirement for us to move the Crew from that accommodation.

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The issues you raised at the meeting such as washing facilities, air conditioning have been looked into and either resolved or are still being investigated. These will be dealt with by management on a business as usual basis.

### **Less favourable treatment of the Cabin Crew in comparison to the Pilots.**

You asked for some background regarding the decision to tour Pilots from the UK rather than base them in Las Palmas. The following explains the reasoning behind the decision

The historic arrangements for temporary basing for pilots include allowances that cover travel and accommodation costs and are different to what has been offered to cabin crew - i.e. in this case the pilots would have to source and pay for their own accommodation. However, the trip pairings in this detachment result in a number of night stops for pilots occurring in Scandinavia. These night stop costs would still be incurred by the Company if this existing temporary base arrangement was in place and would not therefore be mitigated. The deal is therefore is not economic.

Pilot management considered offering the pilots a similar arrangement to cabin crew, but felt that it was unlikely that they would get sufficient volunteers from both ranks to meet the requirements, because unlike Cabin Services we have also had the HAJJ, FRA and YYC detachments for Boeing pilots to consider. The problem of not having enough volunteers could mean that a crew (in this case 2 pilots) could end up starting from different points geographically, i.e. a first officer might be in Las Palmas for the start of his week and his captain positioning from the UK or night stopping in Scandinavia because that was the most efficient way of getting him into the programme. We felt that this was operationally a risk, and that it would give the programme more robustness if we kept the 2 pilots together. We therefore decided to roster all pilots from the UK.

Whilst in some cases this is more expensive than having a pilot temporarily based in LPA, not in all cases. The complexity of the pilot's rosters and the additional work this would cause in Crew Planning were the defining reasons for the decision.

From a cabin services perspective, it was much more simple as it was believed that there would be enough volunteers and therefore there would not be the risk of complicated roster patterns.

The Cabin Crew are contracted on different terms and conditions than the Flight Crew and the terms and conditions of the Cabin Crew remain unchanged. I therefore do not believe there to be unfavourable treatment amongst employee groups. I would once again reiterate that Crew volunteered to be based in Las Palmas for this winter, we ultimately needed 63 Cabin Crew to be temporarily based in Las Palmas, we received applications from somewhere in the region of 400 Cabin Crew.

You went on to tell us that you would like this dispute to be resolved in the following way –

That given the issues you raised in relation to the risk assessment you felt that the Cabin Crew have been put at risk and to resolve this part of the dispute you told us you hoped that we would move the Cabin Crew into the Flight Crew accommodation until it's recognised that the risk assessment has taken place and carried out properly. As I explained previously the risk assessments have been carried out in accordance with the requirements and consistently with other accommodation

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that Thomas Cook Airlines Cabin Crew stay in. The additional aspects you raised regarding the accommodation that you felt could be reviewed to increase the Cabin Crews' comfort are currently being reviewed and ways of improving comfort being considered by the management team from our Commercial Dept and Cabin Crew management.

You stated that you felt that the Company are saving a lot of money by having Cabin Crew in this current accommodation and that you wanted the Cabin Crew to be paid FDA for the entire period they were in Las Palmas. The Company are actually incurring unnecessary additional cost by providing this accommodation for the Cabin Crew. In addition the Cabin Crew who are now temporarily based in Las Palmas volunteered to be based there and were aware that FDA would be paid as if Las Palmas were their home base, which it is temporarily, for flying duties only and not for the entire period.

You also advised us that you wanted to ensure that we are not in this situation again where the Cabin Crew are being treated less favourably than the Flight Crew. As previously stated it is not appropriate to compare the Cabin Crew and Flight Crew given the previously mentioned reasons for the decision not to base Flight Crew in Las Palmas and the fact that both groups are on completely different terms and conditions. You told us that you felt that not treating the Flight and Cabin Crew equally could be potentially discriminatory. We cannot see the grounds of this claim at all, as demonstrated elsewhere in this letter, the terms and conditions applied to this secondment are the contractual terms and conditions for the cabin crew community. Therefore I do not believe you are using an appropriate comparator and so I see no grounds for discrimination...

I trust this resolves the matters you have raised. However, in line with the procedure for the resolution of disputes if you feel this outcome does not resolve the collective dispute please refer to Mick Whiteley, Regional Officer, who will raise the issue with Alison Watson, Director – Customer Services under Stage 3 of the procedure for the resolution of disputes within 7 days of the date of this letter.

Yours sincerely



**Ewan Sinclair**  
General Manager – Cabin Services.

Encl: Notes of the meeting, dated 24 October 2011.

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