

LONDON UNDERGROUND

**CODE OF PRACTICE
FOR PUBLIC PRIVATE PARTNERSHIP TRANSFERS
IN LONDON UNDERGROUND CONTRACTS**

CODE OF PRACTICE FOR PUBLIC PRIVATE PARTNERSHIP TRANSFERS IN LUL CONTRACTS

This Code will be used by all parties as best practice to be followed for the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 1981, as amended, in London Underground Limited contracts.

The terms outlined in this Code will form part of the transfer arrangements for staff from LUL and its subsidiaries to successor organisations.

May 2001

CODE OF PRACTICE FOR PUBLIC PRIVATE PARTNERSHIP TRANSFERS IN LUL CONTRACTS

Introduction

1. This Code of Practice has been agreed between London Underground Limited (LUL), and recognised Trades Unions (TU's). It will be used by all parties involved in contracting with LUL as best practice to be followed for the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 1981, as amended (TUPE), from LUL to the InfraCos, and to any transfer to the private sector, or between contractors.
2. The aim of Public Private Partnership (PPP) is to achieve best quality services at optimal cost. The key to successfully achieving this is the energy, commitment and skill of the people currently providing the existing services and due regard will be given to best practice in people management issues. The concerns of those affected by change should be fully taken into account and properly addressed. The consultation and information requirements of TUPE are to be followed scrupulously. Full, effective and continuous communication is the key to successful improvement and change.
3. This Code does not remove or replace the legal obligations that TUPE places on the parties involved in the transfer but provides further advice and guidance, e.g. where TUPE may not strictly apply.
4. NB. Specifically, in circumstances where TUPE does not apply in strict legal terms, i.e. on the transfer of the InfraCos to the private sector on the letting of the PPP contracts, the principles of TUPE should be followed. (All references in these guidelines and annexes to TUPE, should therefore be read as applying to the transfer of the InfraCos to the private sector.)

Aims of the Code

5. The aims of the Code are:
 - To provide clarity on the application of TUPE and guidelines where TUPE does not apply.
 - To outline the assurances given to existing LUL staff by the Deputy Prime Minister in that they will :-
 - * Have the right to remain in the LRT pension fund, as contributing members. (See Annex E).
 - * Continue to benefit from concessionary travel arrangements (See Annex F).
 - * Continue to enjoy their existing rights under employment contracts, covering pay, hours, leave, collective agreements and union representation, as LUL moves into the new structure. (See Annex G).
 - To maintain the integrity of the contractual process and equality of treatment between bidders.
 - To provide reassurance to staff that issues concerning their transfer and future employment are fully addressed,
 - To enable the transfer of staff between employers to be as smooth as possible.

6. Early clarification of the application of TUPE is a key requirement. LUL will expect TUPE to apply to service contracts where there is a transfer of significant tangible or intangible assets or of a major part in terms of numbers or skills of the workforce. LUL will give a view on the application of TUPE in bid documentation. The bidder will need to satisfy LUL that its view on the application of TUPE is soundly based, having regard to the means by which it is proposed to provide the service. In circumstances where TUPE applies, LUL will need to have confidence in the bidder's proposals in respect of terms and conditions of employment, changes in working practices, Trade Union recognition and negotiating rights.
7. To achieve the aims, LUL requires all parties in the contracting process to observe their respective responsibilities detailed in the following paragraphs:-

Provision of information by LUL

8. LUL recognises that the effective handling of TUPE considerations begins with the need to provide bidders with comprehensive, accurate and timely information. This is important if they are to meet their TUPE obligations and ensure a smooth transfer of staff. All relevant employee information will be provided at appropriate times during the procurement process and, when necessary, briefings on employee issues will be made available. Advice and guidance will only be available from a specified point, as detailed in Annex A.
9. There needs to be full, effective and continuous communication by LUL with the Trades Unions throughout the procurement process. All parties are expected to fully meet their responsibilities under TUPE for full consultation with employee representatives over the implications of the transfer for staff.

Information about bidders' intentions for the workforce

10. During the tendering process LUL will require details of the bidders' intentions for the workforce, how LUL terms and conditions of employment will be replicated, any proposals to amend terms and conditions of employment and how the Deputy Prime Minister's assurances will be met. Information provided by bidders will be treated on an 'in confidence' basis, but it will be LUL's intention to use the information, subject to any clarification, in its consultation with the Trades Unions in order to meet its obligations under TUPE.

Using Past Performance on TUPE compliance in the Evaluation of Bidders

11. LUL needs to be satisfied that the services to be provided by the bidder will be achieved without detriment to the staff on transferring. Bidders will be required to provide information about their employee relations and TUPE track record as appropriate, as detailed at Annex C. This will be reviewed during the evaluation of bids.

Post Transfer Reporting

12. The Trades Unions recognise that after the transfer of staff, responsibility for terms and conditions of employment and TUPE compliance rests with the contractor / sub contractor with whom they will negotiate.

13. Contractors will, where requested, provide LUL or the successor organisation with information on TUPE compliance and employee issues. This will be a standard feature of all contracts involving the transfer of staff, and a normal part of the relationship on contract delivery with suppliers. Details are at Annex D.

Contract Re-lets

14. The aims of this Code extend to the re-let of contracts where employees may be transferred between contractors.
15. For bidding purposes, sitting contractors shall be required to provide the information detailed at Annex A paragraphs A2 and A3 (with the exception of pensions).
16. Bidders must satisfy LUL that their view on the application of TUPE is soundly based, having regard to the means by which they propose to provide the service. LUL would expect TUPE to apply to the re-let of service contracts where there is a transfer of significant tangible or intangible assets or of a major part in terms of numbers or skills of the workforce. If on award of contract there is a disagreement between incoming and outgoing contractors about the application of TUPE, LUL will normally expect resolution before contract vesting day.
17. Contractors' / sub contractors employee relations and TUPE track record will be considered, as appropriate, as will commitment to keep the Deputy Prime Minister's assurances, when evaluating bids on the same basis as paragraph 10 and TUPE compliance and employee issues will continue to be a feature of post transfer reporting.

Further Information

18. The Code is supported by a number of detailed annexes and related documents that cover contractual and employee issues and Trades Union consultation. This includes the document "Details of Settlement between London Underground and the Trades Unions", which is shown as Annex H.
19. References to bidders in this document cover their responsibilities for any sub - contractors to whom staff may transfer.

Employee Relations
October 1999
(Amended May 2001)

CODE OF PRACTICE FOR TUPE TRANSFERS IN LUL CONTRACTS

ANNEXES

- A. Provision of information by LUL to Bidders
- B. Information about Bidders' intentions for the workforce
- C. Information about Bidders' employee relations and TUPE track record
- D. Post Transfer Reporting
- E. Statement on Pensions
- F. Statement on Travel Facilities
- G. Statement on Terms and Conditions of Employment
- H. Details of Settlement between London Underground and the Trades Unions

Provision of information by LUL to Bidders

- A1. Information will be made available to bidders to enable them to take account of their prospective liabilities. LUL recognises the importance of the information being comprehensive, accurate and timely.

Personnel information provided at appropriate times during the bid process

- A2. The following information will be provided:
- The potential number of staff who may be transferred, (but with no obligation to identify individuals by name)
 - In respect of each of those members of staff, their age, salary, length of service, hours of work, holiday entitlement, overtime hours and enhancement rates, any other factors affecting their redundancy and any outstanding claims arising from employment

Information on LUL Terms and Conditions of Employment provided during the bid process

- A3. Access to the following information will be made available:
- General terms and conditions applicable to those members of staff, including probationary periods, retirement age, periods of notice, current pay agreements, working hours, entitlement to annual leave, sick leave, maternity and special leave, terms of mobility, any loan or leasing schemes, occupational welfare and additional employment benefits, (although not all will transfer in their precise LUL form)
 - Relevant collective agreements
 - Details of the LT Pension scheme.

Personnel information provided at award of contract to successful bidder

- A4. The following information on each member of staff to be transferred will be provided following contract award:
- Personal Details
 - * Name (family name, forename, title and initials)
 - * Date of birth
 - * Home address
 - * Job title, including changes in status (e.g. to part-time, full-time employment)
 - * Work location
 - * National Insurance Number
 - * Rosters

- Pay/Performance Appraisal
 - * Annual salary and rates of pay band/grade
 - * Shifts, unsociable hours or other premium rates of pay
 - * Overtime history for preceding 12 month period
 - * Allowances and bonuses for preceding 12 month period
 - * Bank / building society account details for payroll purposes
 - * Outstanding loans / advances on salary or debts
 - * National Insurance contribution rate
 - * Cumulative pay for tax and pension purposes
 - * Any other voluntary deductions from pay
 - * Cumulative tax paid
 - * Sickness and absence records for the immediately preceding two year period
 - * A copy of the last Performance Appraisal Report and performance and promotion markings for the preceding 3 years, where appropriate.
 - * Professional fees

- Pensions
 - * For pension purposes, the notional reckonable service date
 - * Pensionable pay history for 3 years to date of transfer
 - * Percentage of any pay currently contributed under additional voluntary contribution arrangements
 - * Percentage of pay currently contributed under any added years arrangements
 - * Annual holiday entitlement and accrued holiday entitlement
 - * Annual leave reckonable service date
 - * Those currently on maternity leave or other long term leave of absence

- Other information
 - * Additional relevant information may be provided, subject to the agreement of the individual member of staff concerned, which may assist the contractor understand more fully, circumstances that affect their employment,
 - * Existing training or sponsorship commitments,
 - * Details of any active disciplinary hearings or grievance proceedings,
 - * Details of any legal proceedings between employees and LUL.

Information about Bidders' intentions for the workforce

- B1. TUPE provides for the transfer of staff on the terms and conditions of employment which exist at the time of the transfer, with the exception of those relating to occupational pensions. There may be some LUL terms and conditions which are inappropriate to transfer to the private sector or which cannot transfer in exactly the same form. In such cases bidders are required to provide comparable terms and conditions in order that the substance of the rights are preserved and that the assurances given to existing staff by the Deputy Prime Minister, listed below, are kept.
- * All existing staff will have the right to remain in the LRT pension fund, as contributing members. (See Annex E).
 - * All existing staff will continue to benefit from concessionary travel arrangements. (See Annex F).
 - * All existing staff will continue to enjoy the rights they have under their employment contracts, covering pay, hours, leave, collective agreements and union representation, as LUL moves into the new structure.

During the tender stage of the procurement process, LUL will have made available information to bidders on its terms and conditions of service and collective agreements. Bidders will need to provide detailed information about their intentions for the transferring workforce, demonstrating how well they have understood the existing terms and conditions of employment of the staff and highlight any proposals that they consider need to be negotiated with the Trades Unions.

- B2. Bidders are required to provide information that explains how their technical proposals may affect staff and of any consequences for their existing terms and conditions of service. They will also be required to provide positive statements of intentions in respect of key terms and conditions of employment, a more general statement on their obligations under TUPE concerning the effect of a relevant transfer on contracts of employment and information on any possible redundancies to be made on economic, technical or organisational grounds. The terms and conditions on which tenderers will be required to make positive statements reflect the information an employer would be required to provide to a new employee within 2 months of taking up employment, as set out in Sections 1 - 3 of the Employment Rights Act 1996.
- B3. The information outlined in B1 and B2 will be considered during the evaluation of bids.
- B4. A prospective prime contractor will be required to provide similar information relating to any proposals to use sub- contractors to whom staff would ultimately transfer as part of the contract.

Information on key terms and conditions of employment

- B5. Bidders will be required to confirm that information on existing LUL terms and conditions of employment and collective agreements has been examined and understood, for both industrial and non-industrial staff.(See Annex G). The main terms and conditions of service on which tenderers will be requested to provide positive statements are as follows:

- Pay and Allowances
 - * Basic rates, non-industrial performance pay, industrial bonus and productivity schemes.
 - * Overtime rates.
 - * Entitlement to shift pay.
 - * Recruitment / retention allowances.
 - * Allowances for detached and permanent duty.
 - * Job related allowances.
- Hours
 - * Rosters.
 - * Any entitlement to paid meal breaks.
 - * Flexible working hours arrangements.
 - * The maximum periods of overtime and the levels for authorisation of overtime.
- Leave
 - * Current leave entitlements.
 - * Leave entitlement increases according to length of service.
 - * Arrangements for special paid leave.
 - * Proposals for dealing with the current entitlement to privilege leave.
 - * Entitlement to special unpaid leave.
 - * Position on availability of career breaks.
- Sick Pay and Leave
 - * The current grant of sick leave and sick pay provisions.
 - * Maternity leave entitlements and pay.
 - * Paternity leave entitlement and pay.
- Notice Periods
 - * Current periods of notice.
 - * Increases in notice periods according to length of service.
- Recruitment
 - * Confirmation that for those staff subject to a period of probation on the day of transfer, their period of probation will be unaffected.
- Trades Union Recognition
 - * Confirmation that formal recognition to Trade Unions representing employees on the day of transfer will be given.
- Collective Agreements
 - * Intentions regarding any national or local collective agreements, which are significant to the undertaking, including any which may not be enforceable, as referred to in Regulation 6 of TUPE.

- Equality

Prospective bidders, as employers, will be bound by the requirements of all UK and European equality legislation. (In the event of any European equality legislation not having direct effect in respect of any bidder, such a bidder will nevertheless be required to demonstrate compliance.)

1. This will include but is not limited to compliance with :-

- The Equal Pay Act 1970;
- The Sex Discrimination Act 1975;
- The Race Relations Act 1976;
- The Disability Discrimination Act 1995;
- The Employment Rights Act 1996;
- The Human Rights Act 1998

- Article 119 of the Treaty of Rome 1957
- Directive 75/117/EEC - Equal Pay
- Directive 76/207/EEC - Equal Treatment
- Directive 86/379/EEC - Employment of Disabled People
- Directive 92/85/EEC - Pregnant Workers

2. In addition bidders will be required to adhere to all relevant Codes of Practice relating to equality issues (both UK and European), which will include but is not limited to:-

- The Code of Practice for the Elimination of Racial Discrimination and the Promotion of Equality of Opportunity in Employment (1983);
- The Code of Practice for the Elimination of Discrimination on the Grounds of Sex and Marriage and the Promotion of Equality of Opportunity in Employment (1985);
- The Code of Practice for the Elimination of Discrimination in the Field of Employment against Disabled Persons or Persons who have had a Disability (1996);
- The Code of Practice on the dignity of women and men at work 91/131 /EEC

3. All prospective bidders will also be expected to show that they will treat all employees and applicants for jobs fairly, and ensure that unfair discrimination does not occur at any stage of employment on any grounds, including: age, sex, race, ethnic or national origin, disability, religion, sexual orientation, marital or HIV status.

Method of operation

- B6. Where bidders' proposals create potential redundancies that are attributable to economic, technical or organisational reasons, details must be provided
- B7. The impact of bidders' technical proposals on the transferred staff should be explained under the following headings:
- Management and supervisory structures.
 - Changes to working practices. (i.e. shift and roster working, multi-skilling, team working, increased use of part-time staff).
 - Environmental / technical considerations, (e.g. centralisation of functions, introduction of new equipment).
 - Relocation of functions.
 - Any changes to TU recognition arrangements, and proposals for the replication of the LUL Machinery of Negotiation and Health and Safety Machinery.
 - Where significant recruitment or redundancy is necessary, describe how it is proposed to merge and integrate the transferred workforce, existing contractor's staff and the newly recruited staff. Specific information is required on any areas / aspects of work for which only new staff will be considered.
 - Any intentions to change, by negotiation, existing terms and conditions of service or collective agreements.
 - An assessment of the impact on the equal opportunities of staff.
- B8. References to bidders in this Annex covers their responsibilities for any sub contractor to whom staff may transfer.

ANNEX C

Information about Bidders' employee relations and TUPE track record

- C1. Bidders will be required to supply information detailed below (see footnote) where TUPE applies on their industrial relations and TUPE track record. The same information will be sought from bidders at the contract relet stage.
- Details of transfers of staff to the bidder under TUPE during the last 3 years:
 - * Number of staff transferred.
 - * Date of transfer(s).
 - * From whom the staff were transferred (if from LUL contract, number and location of contract should be given).
 - * Reason for transfer (e.g. competition, take - over merger etc.).
 - * Of the staff transferred, the numbers made redundant for economic, technical or organisational reasons.
 - Details of any court or tribunal proceedings in respect of employment matters (not limited to those arising from TUPE) that the bidder has been involved in over the last 3 years (including any that are currently in action):
 - * Number of cases / proceedings received.

- * Cause of action.
 - * Number of employees covered by those proceedings.
 - * Outcome of proceedings (i.e. settled by bidder before hearing, tribunal, finding in favour of employee / bidder).
- Details of disputes between the bidder and other contractors or TU's connected to TUPE transfers over the last 3 years (including any that are currently in action).

C2. It is important to focus on positive aspects of bidders' track record, as well as possible weaknesses. Consequently, bidders may provide testimonials from Trades Unions and other interested bodies where they have successfully undertaken TUPE transfers in the past.

Bidders may also wish to demonstrate examples of what they consider to be best people practice operating within their organisation, or examples of partnership working with the workforce / trades unions.

Accreditation under Investors in People also provides a useful indication of competence in people management and commitment to developing staff through training.

C3. References to bidders in this Annex covers their responsibilities for any sub-contractors to whom staff may transfer.

Footnote: *Bidders in this context means the company, a relevant Division or subsidiary bidding for the work. In the case of consortia, the parent company(ies) or relevant Division / subsidiary forming the consortia bidding for the work.*

ANNEX D

Post Transfer Reporting

Contractors / sub contractors are to designate specific personnel to provide, as part of the normal reporting process of the contract, the following information, normally on a quarterly basis:

- proposed, agreed or imposed changes to terms and conditions of service in respect of employees transferred to the contractor under TUPE,
- disputes relating to TUPE issues which are regarded as unresolved by recognised Trades Union(s),
- any court action or tribunal proceedings relating to TUPE issues,
- completed court action or tribunal proceedings relating to TUPE issues,
- "out of court" settlements relating to TUPE issues.

Pension Arrangements

In accordance with the decision taken by the Deputy Prime Minister, specific pensions protection will be introduced as part of the PPP process. This protection will apply to current LT staff who are transferred to PPP companies.

Implementation of this protection will mean that the LRT Pension Fund (LRTPF) will become a scheme for non-associated employers, but will still operate with a single body of trustees.

Staff will have the right to remain in the LRTPF as long as they remain in work on the Underground.

When a member no longer remains in Underground work, their employer will be required to provide an adequately funded occupational pension scheme which provides overall benefits which are materially at least as good as those which applied at the point of transfer of that person from LT, as long as that person remains in continuous employment.

Travel Facilities

London Transport (LT), will grant directly to each transferring employee continuance of the discretionary staff travel benefits received (subject to any variations subsequently applicable to staff in receipt of these benefits in new London Underground. This will extend to individuals for as long as they can demonstrate ongoing employment by an InfraCo, successor contractor or sub-contractor, on London Underground work.

These travel facilities will be withdrawn if a transferring employee is dismissed, resigns or leaves the service of the InfraCo, successor contractor or sub - contractor, save where the employee immediately takes up employment with another InfraCo, successor contractor or sub - contractor and are engaged on LUL work. The above arrangements will also apply to an individual who has a break in employment between one InfraCo and another InfraCo, provided that the break is not greater than 12 weeks and there is no intervening employer.

These same principles will apply in respect of any individuals transferring to other areas of the Transport for London group which are ex London Transport, and also offer employees travel benefits.

Where a transferring employee retires from an InfraCo, successor contractor or sub - contractor, subject to him / her meeting the age and length of service requirements of LT / LUL, he / she will be eligible to receive retired LT staff travel facilities.

Transferring employees, spouse's / cohabiting partner's will be eligible for LT staff travel facilities, either at the date of transfer or subsequently, if their application is submitted at a later date.

Transferring employees who are currently entitled to receive BR Privilege Travel Benefits for their partners / children, will remain eligible to receive those benefits after the date of transfer.

The process for issuing updates will provide for annual audits (for "BR" Privileges) and bi-annual audits for LT Passes, when confirmation will be received direct from individuals of employment status.

There will be no change to the status of current travel benefits as a non contractual benefit issued at London Transport's discretion for transferring staff, or for staff remaining in the public sector.

From January 2000, for all LT / LUL staff and those who subsequently transfer, the qualification criteria for a partner / dependant pass will be extended, allowing staff to nominate one other adult person instead, (over the age of 16), to receive a LT travel pass, provided that the person resides at the same address. The additional pass will continue to be only available where the employee and the additional recipient do not also have a Privilege Ticket Authority Card.

Terms and Conditions of Employment

TUPE provides for the transfer of staff on the terms and conditions of employment, which exist at the time of any transfer, (except those relating to occupational pensions).

These include, but are not limited to:

- Contractual Salary
- Contractual Hours
- Annual Leave / Pay
- Sick Leave / Pay
- Retirement
- Maternity Leave /Pay
- Paternity Leave

There may be some LUL terms and conditions which are inappropriate to transfer to the private sector or which cannot transfer in exactly the same form. In such cases bidders are required to provide comparable terms and conditions in order that the substance of the rights are preserved.

These and other conditions and terms of employment are contained in individual contracts of employment and also within the following documents:

- Agreement for Operational Staff and Operational Managers
- Employment Handbooks for all other grades.

Details of Settlement between London Underground and the Trades Unions

TRADE UNION ISSUE ONE: There will be no compulsory redundancies amongst staff.

It is the policy of LUL, the Infracos and their subsidiaries to work with the trades unions to avoid compulsory redundancies and provide job security (including one job offer to any member of staff who becomes surplus and is displaced).

In return for this commitment the trades unions including ASLEF and the RMT agree to:-

- Develop a framework to facilitate work/lifestyle balance and family friendly policies, with the principles agreed at the Company Council.
- Co-operate with the introduction of organisational change and new working arrangements.
- This agreement applies to all staff employed by LUL, the Infracos and their subsidiaries. It will pass to new employers as part of any future transfer arrangements of relevant staff (including Company to Company transfers that are not at the employee's instigation).
- Within the individual redeployment process, should an immediate alternative job offer not be available, the member of staff will remain employed and be 'used to best advantage', until a suitable alternative job can be offered.
- In relation to Infraco staff, the responsibility to guarantee at least one alternative job offer sits with the Infraco, as the employer. As part of the process of maximising opportunities for the individual, their views about employment with other employers will be taken into account. As a result, the Infraco may approach members of their parent organisation (i.e. the companies who are members of the consortium which own the Infraco) with regards to any vacancies on 'London Underground Railway Industry' work; and other Infracos. Protected staff who choose to take up employment with other Infracos, are able to continue in the LRT Pension Fund and to retain their travel facilities, as long as they remain on London Underground work, as detailed in the Code of Practice. Where such arrangements are considered, it is recognised that the Infraco remains the employer with the responsibility to redeploy the displaced member of staff and therefore any such change of employer is purely voluntary. Existing guidance will be followed in determining what constitutes a suitable alternative job. (This process is included in the Contractual Redundancy Scheme for transferring staff).
- The redeployment process is not limited in the number of times it can be applied. It is a process for handling displacement. Therefore if an employee is displaced on more than one occasion the process will be used on more than one occasion, regardless of employer.
- The following will be amended to reflect this agreement, through the already established Joint Working Party:
 - Section 6.2.6 (Redeployment) of the Agreement for Operational Staff and Operational Managers.
 - The Contractual Redundancy Scheme.
- As a result of this agreement no compulsory redundancies will take place, on the basis that everyone concerned abides by this agreement.

TRADE UNION ISSUE TWO: The establishment level of staff be agreed between the unions and the respective employer and that there be no reduction of staffing in any circumstances which might adversely impact on safety.

Any staffing level changes with safety implications will be dealt with through the Safety Review and Change Control process, as referred to in the statutory Railway Safety Cases and have the involvement of Health and Safety Representatives. In addition, the existing Machineries of Negotiation make it clear that any impact on staff as a result of new timetables and schedules, or issues arising from changes to working arrangements, are questions for negotiation.

The appropriate negotiating machinery to reach agreement will apply and will be exhausted if necessary. Both parties to use their best endeavours to reach an agreement, operating within the Machineries of Negotiation and to respect the process, not take unilateral action and not impose staff number reductions whilst discussions continue. If in the event the Machinery is exhausted, management will not impose for six weeks.

- The above does not preclude the rights of the trades unions to refer issues to the recently established Underground Health and Safety Forum, which is a joint LUL/Infracos and trade union body.
- The relevant local representatives, including health and safety representatives, may be co-opted to assist in discussion on staffing levels as appropriate.
- LUL and the Infracos will engage the unions in an annual review of staffing levels to ensure there is clarity on the current situation and any future plans.
- LUL, the Infracos, their subsidiaries and any successor organisations will ensure these arrangements and obligations are made clear to any future employers.
- The parties to this agreement accept that they have a joint responsibility to ensure that acceptance of proposals is not unreasonably withheld and, once questions or matters have been settled, to take all reasonable steps to ensure their successful implementation.
- The following will be amended/updated to reflect this agreement:
 - Section 6.1.1 (Staffing Levels) of the Agreement for Operational Staff and Operational Managers.

TRADE UNION ISSUE THREE: All employees employed at 22 December 2000 remain on their existing terms and conditions of employment and in the employment of their existing employer, save with the agreement of the individual and the individual's trade union.

London Underground and the Infracos restate their commitment to negotiate with the trades unions as detailed in the jointly agreed Machineries of Negotiation and are committed to improving consultation and communication processes. In situations where there is a proposal to change employer, through a transfer of employment, there will be full negotiation, in good time, with the trades unions and the staff concerned, with a view to reaching agreement. The provisions of the Code of Practice, developed with the trades unions, will be followed.

Code of Practice

LUL can confirm that the Code of Practice will be contractually binding. To ensure this meets the need of each employee involved in any transfer arrangements (e.g. PPP, PFI, etc.) the wording in the main Contract for the PPP will be amended to require Infracos to make sure this obligation is contractually binding on successive employers.

- Staff transferred will have the following protected: contractual salary, hours, annual leave/pay, sick leave/pay, retirement, maternity leave/pay, paternity leave/pay. (See Code of Practice above, which sets out contractual provisions for pensions and travel facilities for the PPP, as outlined in the Deputy Prime Minister's assurances). The obligation to negotiate changes to terms and conditions, pay awards, and principles of employment, for those staff whose terms and conditions are currently regulated by joint agreements with the trades unions, will be passed on to the new employer and any changes negotiated through the negotiating machinery.
- The Code of Practice on staff transfers requires bidders (during the tender stage) to provide detailed information about their intentions for the transferring workforce - demonstrating how well they have understood the existing terms and conditions of employment of the staff and highlight any proposals they consider need to be negotiated with the trades unions.
- Bidders are also required by the Code to provide positive statements on pay and allowances, hours, leave, sick pay/leave, notice periods, recruitment, trade union recognition, collective agreements, and equality.
- Bidders are also required by the Code to provide information about their employee relations and TUPE track record.
- As part of the evaluation process to assess prospective new employers, arrangements will be made for the trades unions to meet with bidders. Comments from the trades unions will be sought as part of the evaluation process.
- LUL and the Infracos will require successor organisations to provide a quarterly report on the terms and conditions of service of those staff transferred under TUPE.

THIS AGREEMENT

It is acknowledged by all parties to this agreement that the terms outlined in this document will form part of the transfer arrangements for staff from LUL and its subsidiaries to successor organisations. This will be stated in the Code of Practice.

This document will become Appendix H of the Code of Practice.