

29th April 2008

Bob Crow,
General Secretary
RMT
UNITY HOUSE,
39 CHALTON STREET
LONDON
NW1 1JD

Dear Bob,

SPIC and Protection Master - FINAL OFFER 2008

Further to my letter dated 26th March 2008 and following our discussion on the SPIC and Protection Master Payments on the 29th April 2008 with your representatives, I have taken the opportunity on the attached document to summarise the main aspects of the final SPIC and PM Offer for 2008. This offer also deals with 2009 onwards.

As part of our discussions we have also taken into account the introduction WSP. Details are shown in the attachments to this letter. These payments concludes all of the outstanding issues from the last pay deal in 2006 and Tube Lines now considers that it has fully honoured its commitment under that agreement. It has noted that there are still some joint minor issues relating to procedures and framework agreements but it fully expects to close out these remaining matters in the next 6 weeks, and that separate meetings will be arranged to deal with these matters.

We also discussed some qualifying details at the meeting. I am at present having this made into notes for guidance and will send a draft under separate cover.

I am more than happy to clarify any specific points that you have on this SPIC and PM Offer or this can be dealt with at our Company Council level.

I trust you will find this offer acceptable to you. If you can indicate your acceptance, I will then make arrangements for the monetary payments to be implemented within the Company at the earliest possible opportunity.

I look forward to your earliest response.

Yours sincerely,

John Edmonds
HR Business Partner Operations

0207 088 4865

2008

The key skills being considered are as follows:-

SPIC

- Site Person in Charge
- Protection Master
- Protection Master Traffic Hours (PMTH)
- Protection Master Engineering Hours (PMEH)
- Depot Protection Master
- Train Master

WSP

Following our recent discussions with your representatives we have therefore taken the opportunity to simplify these above in to 3 categories.

SPIC

PM (irrespective of the number of licenses held)

WSP(WSP must also hold SPIC)

LUMP SUM PAYMENT FOR 2008

We have carefully considered the appropriateness of a lump sum payment approach and for 2008 the rationale will be as follows:-

Valid and assessed licenses held per employee	Total Amount payable per employee per annum
SPIC	£ 1000
PM (irrespective of the number if licenses held)	£ 1000
WSP(individual has to hold SPIC as well to be WSP)	£ 500

Proposal therefore is to make an initial payment of 50% of the figures outlined in the table above, per licence, but dependent on the employee holding the relevant and assessed certificates/licenses on the 1st January, 2008. Therefore an employee holding both a SPIC and PM equates to an initial payment of £1000. lump sum. This would be payable in the next available payroll run. The amount will be subject to tax and NI and is non pensionable.

In addition, for the initial 2008 payment stage and to cover the element of backdating to 1st January, 2008, employees who held SPIC and /or PM Licence on the 1st January, 2008, will receive 3/12 of the annual amount for each of the two licences held where applicable.. For ease of reference, an individual holding both licences at 1/1/08 will be paid an initial lump sum of **£ 1500 subject to tax and NI, and is non pensionable.**

Using this same rationale an employee only holding a SPIC or PM will receive a total initial payment of 50% of £ 1000 per annum plus 3/12 and therefore a total payment will be made of **£ 750 subject to tax and NI and is non pensionable.**

Final 2nd Stage payment to each employee still holding one or more of the licenses as at 31st October 2008, and payable on the first available payroll run after the 31st October 2008. The 2nd Stage payment will equate to the remaining 50% per licence as outlined above. Therefore holding both a SPIC and PM equates to a 2nd stage payment payment of £ 1000 lump sum. Employees holding a single licence will receive £500. This payment will be subject to tax and NI and is non pensionable. The qualifying criteria is outlined in Appendix A. (to follow)

LUMP SUM PAYMENT FOR 2009 and FUTURE YEARS

The annual payment for 2009 and future years will be increased in line with annual pay increase but for illustration purposes the payment in 2009 will be based on the details shown below:

Licence Category	Total Amount payable per employee per annum (subject to 2009 uplift)
SPIC	£ 1000
PM (irrespective of the number if licenses held)	£ 1000
WSP if applicable(WSP must also hold SPIC)	£ 500

Proposal is to make an initial payment to the value of 50% of annual figure per licence as outlined in the table above. This payment will be dependent on the employee holding the relevant and assessed certificates/licenses on the 1st April 2009. Therefore holding both a SPIC and PM equates to an initial payment of £1000. This would be payable on the first available payroll run after the 1st April 2009. The amount will be subject to tax and NI and is non pensionable.

Final 2nd Stage lump sum payment to each employee retaining one or more of the licenses as at 31st October 2009, and payable on the first available payroll run after the 31st October 2009. The 2nd Stage payment is again the remaining 50% per licence as outlined above.

Individuals will not be held responsible for administrative delays in arranging training or assessment.

