Unethical London

Global hotel chains – making London an unethical tourist destination through ‘standard industry practice’.

A report by the Unite the union Hotel Workers’ Branch

www.unitetheunion.org
We are London’s hotel workers. We are the engine that drives London’s tourism sector. We are the luggage porters, the receptionists, the chefs, the waiters, the bartenders and room attendants. We greet the guest and carry their luggage, we check them into their rooms, we cook their meals, serve their tables and pour their drinks, we make their beds and clean their rooms.

We are proud to be professional. We are proud of our skills and our customer service. We deserve to be treated better than we are. We are proud of our union membership and the voice this gives us. We do not deserve to be exploited and taken advantage of.

This is our story.
It is not an academic report or an in depth study.
It is what we experience day to day.
It is how we feel.
It is how we are treated.
It is how we are disrespected and disregarded.

Our purpose in producing this is to serve notice on our employers that we are no longer prepared to stand back and watch you mismanage an industry that we want to be able to take pride in.

It’s a sad fact that hotel workers in places like Manila or Buenos Aires are shown more respect than we are when it comes to exercising our basic human rights to freedom of association and collective bargaining.

Your actions have made London in the 21st Century one of the most unethical tourist destinations in the world. You have brought shame on our industry, our profession and our city and we intend to call you to account.

Unite the union – London Hotel Workers’ Branch
The Hotel Workers Branch of Unite the union has been campaigning for many years to raise the profile of the plight of hotel workers. We developed strategies to organise the hotel workforce in the face of ongoing resistance from employers. The global hotel chains were already well into a corporate model designed to rid themselves of the responsibility of ownership and management by selling their hotel buildings, franchising their operations and concentrating on marketing their brands. What this meant for hotel workers was the destruction of the traditional “hotel team” concept and direct employment and a move into out-sourcing employees to sub-contractors, and employment agencies. This has in turn led to the erosion of decent working conditions and a drive down of pay rates to the National Minimum Wage, the widespread use of zero hour contracts and open hostility to any form of regulation or collective bargaining on behalf of the workforce.

Our belief is that the industry as whole has set out to create a working environment based on low pay and exploitation, where the workforce feels increasingly powerless and marginalised. And so today the London hotel sector stands condemned by its workforce of being one of the most unethical tourist destinations in the world.

The good news is that workers are beginning to fight back in the realisation that nothing is going to change until they make it change. As part of that fightback our branch has given hotel workers a voice. In this simple document you can learn not only the facts about how the rich and successful hotel sector exploits its workforce and systematically denies them access to their basic human rights to freedom of association and collective bargaining, but also hear from workers in their own voices too.

- 65 million tourists visited London in 2015
- Average room prices up 7.3% to £160 per night.
- 2% year on year increase in profitability for London hotels
- 68% of hospitality workers paid less than London Living Wage
- 90% of bar staff, 85% of waiting staff and 80% of kitchen staff paid less than the Living Wage
- Staff turnover cost hospitality employers £274 million annually
- Out of 993,000 new staff needed by 2022 - 870,000 of those will need to replace staff who will leave the sector all together.
- 70% of London hospitality workers are migrant workers
**Why are we waiting?**

We have been running a high profile Fair Tips campaign since 2009. Food and beverage departments in hotels provide a huge revenue stream, yet tips, service charges and troncs represent one of the biggest sources of complaints from waiting and room services' workers, who are mainly paid the minimum wage and rely on income from tips just to get by.

This gives employers an enormous amount of power over workers.

Our campaign successes include changing the law which allowed employers to count tips toward the minimum wage, the introduction of a voluntary code of practice, withdrawal of admin fees by major high street restaurants such as Pizza Express, a consultation into unfair tipping practices by the business secretary, Sajid Javid (recommendations yet to be published). But the exploitation we have exposed so far is nothing when compared to the secretive and murky world of how the service charge is allocated and consistently abused by management in many of London’s 4 and 5 star hotels.

Service charges can be between 12 and 15 percent in most hotels and is charged on everything you order from food and drink to room service. The hotel usually takes a considerable cut for themselves and the allocation of the share given to staff is usually under the control of management and shrouded in secrecy. Workers never know from week to week what they will receive or how it is calculated. The allocation is used as a tool of favouritism or punishment depending on where you stand in the pecking order at any given time. Due to the vested interest in maintaining a discredited and unfair system, workers who challenge or complain about service charge allocation are frequently subjected to targeted victimisation.

**Our waiting staff survey shows:**

- 33% frequently start work early without being paid extra
- 41% frequently finish late without being paid extra
- 71% do not know how their tips are calculated and what percentage they get
- 45% frequently miss rest and meal breaks due to understaffing or high workload
- 78% receive no enhanced pay for extra hours worked – i.e single time pay
- 26% are never paid what is agreed in their contract for overtime and 30% are only sometimes paid
- 57% believe they are owed unpaid wages for hours worked

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**Waiters in their own words**

Last summer we were not particularly busy. We saw our hours almost halved with no warning or consultation. To argue that a profit making company cannot treat the staff that generate that profit with basic respect through fair wages and job security, because others don’t, does not hold when you remember you are employing humans not automatons.

Of course you forget how to eat and enjoy food at a normal pace because after getting out of some of your work clothes so you can eat on the floor, and using the bathroom, to freshen up or put makeup on or something like that, 10 mins has already gone, and you’re gulping down your food as fast as you can, with no socialising (one/two people or so on a break at a time only usually anyway) and no staff rooms most of the time. People often order very small meals (usually only allowed child meals anyway) because they can’t handle eating very much in a short space of time, when their body and stomach muscles haven’t relaxed long enough to be ready for food.

They pulled me from 50 hours a week to six hours per week. Maybe someone can teach me how to survive on six hours per week and how to pay my bills.

My hotel is like a factory owner who is challenged and just decides to lash out at the staff.

They are abusing us every single day.

The service charge is taken from us. The payment we take from providing good service to guests is absorbed by the company and used to top up managers wages. On rare occasions we get a pat on the back for all our hard work on a 12 hour shift, but we’re not yet worthy of a full break. Rather, we’re made to feel guilty for asking for one. Our workload can double or even treble, arbitrarily. It’s not humane, but we put up with it, because we have to. It’s modern day slavery.

Semi-skilled" my arse. Let me see you manage a station of twelve tables on a busy Thursday night, when you have a queue at the door, the bar is four deep already and that hen party has just ordered eight mojitos.

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1 The electronic tips’ pool system used by employers to distribute tips and service charges to employees.
The Working Time Regulation is designed to protect the health, safety and welfare of workers by limiting the working week to 48 hours and ensuring workers can take adequate breaks and annual leave.

Workers can voluntarily opt out of the 48 hour limit by signing an opt out agreement with their employer. Unfortunately it has become standard industry practice for employers within hospitality to simply include a 48 hour opt out as a clause in the contact of employment. As a consequence, workers find they have agreed to opt out without any real choice in the matter and often without being aware they have done so.

The law provides that a worker who has signed an opt out can legally opt back in by giving their employer written notice that they wish to do so. Again, it has become standard industry practice to write into contract clauses that the worker is required to give the maximum notice period allowable by law (three months) in order to opt back in.

Chefs are particularly vulnerable to being forced to work excessive hours.

Our survey of chefs shows.

- 47% start work before their official start time for no extra pay
- 51% finish work after their official finish time for no extra pay
- 54% are regularly expected to work through their breaks
- 44% work an average of 48 to 60 hours each week
- 14% work over 60 hours each week
- 69% believe their hours impact on their health
- 78% have had an accident or near miss at work due to feeling overtired
- 51% are suffering depression due to overwork
- 56% take painkillers to see them through their shift
- 48% take energy drinks to see them through their shift
- 27% take alcohol to see them through their shift
- 41% take other stimulants to see them through their shift

Never see my child or partner, due to being at work or too tired when I get home.

Working 14 hour days with no breaks. Diagnosed with depression and anxiety. Cannot get a full night’s sleep.

Been a chef for 15 years. Hips and joints in constant pain. Constantly stressed and depressed.

I will definitely leave the trade before I retire.

Ended up in hospital due to working 60 hours a week. Employer reduced my hours to 40, but still expects me to put in extra hours for no extra pay.

I am so tired of 16 to 18 hours days, 7 days a week and zero appreciation from my employer.

Worked for 17 years, paid peanuts, damaged my back - had to resign.

I can’t remember the last time I had a break in four years.

Doing 60 to 80 hours a week – only paid for 40 as I am on a salary.

70 hours a week? You’re having a laugh. Try 90!
The London hotel sector is heavily casualised. Most major hotel chains outsource their housekeeping departments, invoicing by the room rather than the hour. This means service providers and agencies compete for contracts on the basis of how much more labour they can squeeze out of us for the lowest price. There is a race to the bottom with the companies who try to do the right thing being constantly undermined by those who base their business model on exploitation. Hotels generally do not take their duty of care towards subcontracted staff in any way seriously and compound the problem by issuing contracts requiring invoicing by the number of rooms cleaned, rather than by the number of hours worked by staff.

Contracts change hand frequently and in the run up to a transfer the collective consultation process linked to the Transfer of Undertakings (Protection of Employment) regulations (TUPE) is frequently ignored or bypassed. It is not uncommon for service providers and agencies to deduct pay for ‘training’ of up to two weeks if a room attendant leaves before a period of twelve weeks. This can see us lose hundreds of pounds, and if we question this practice we are told ‘you signed the contract’ despite this being illegal. Migrant women workers are hardest hit by this scam, which takes advantage of their lack of English language and awareness of UK employment law.

This leads to overwork, industrial injuries, mental health problems, stress, upper limb disorders and normalised disabilities such as ‘housemaid’s knee’ – (prepatellar bursitis) caused by excessive kneeling.

The Unite Hotel Branch Survey of housekeeping staff shows –

- 90% have constant pain caused by their job
- 88% have neck pain
- 84% have back pain
- 64% have shoulder pain
- 70% take painkillers on a daily basis
- 82% know of co-workers who suffer the same pain

Room for a change?

This is slavery - it's like a jail.
No one really knows that room attendants are often physically and psychologically plagued.
They treated me badly. There was a supervisor there who would order me around, and bark at me as if I were a dog.
They treat us like machines.
They burn us out.
I feel destroyed after each day, the other girls they are too tired to even play with their children.
The hotel cannot function without us but they treat us as if we are nothing.
You are a piece of dirt. The guests are kings.
I was on my bus, and we start at 8.30am, and they called me at 7.29am when I was on my way to work ‘oh, you are off today’. This is normal.
I was often punished because I tried to say what you are doing is wrong, then you would be sent home ‘on stand-by’. That is how they controlled the girls.
If you were sick, the first three days were unpaid. So you just went to work, everyone was scared to be sick because when they went back they would be told there was no work for them.
You won’t find people with good English employed by the agency. They don’t want people who can discuss their rights.
A new agency came and said nothing would change and then they changed everything. We lost breaks, they want us to clean more for less, and we’re losing money. They said if you don’t like it - find another job.

Room attendants in their own words
Welcome to an insight of what we the front of house staff refer to as ‘emotional labour’, the invisible pressure that we endure daily. We are the first point of contact for hotel guests and at the heart of making a lasting impression, and with this comes a great deal of pressure.

Pressure to smile constantly.
Pressure to maintain hotel ‘standards’ to the highest level.
Pressure to provide excellent customer service.
Pressure to uphold or exceed previous revenue.
Pressure to do more in less time.

All of the above sounds reasonable if our actual working conditions were up to a dignified standard, however this is far from the reality in the hospitality sector.

As porters we spend hours standing on our feet in a state of constant readiness to assist guests. This often consists of several unpaid hours of work per week and working in unpleasant weather conditions with no reflection in our pay, break patterns and treatment.

On the front desk we check guests into their room and ensure that we deal with every question that a guest can possibly have. This can often take its toll, especially when we work long hours, on low pay, in an understaffed environment, often without the right equipment and without adequate breaks or pay for our overtime.

We answer questions and recommend London ‘happenings’ to tourists who contribute to the UK’s growing tourism sector.

We know that we play a prominent role in this thriving sector and this is why we are sharing our story to ensure we get our fair share of prosperity. That’s why we say no to low pay, zero hour contracts, bullying and discrimination, and union busting.

Employers in the industry like to talk in old fashioned paternalistic terms about how we are all part of one big family. The truth is it’s a pretty dysfunctional family. Anyone who has ever attempted to raise a complaint about working conditions in a hotel or restaurant will be familiar with the term; ‘if you don’t like it you know where the door is’. It’s a pretty standard response, clearly designed to keep employees in their place and to make clear that management decisions are not open to challenge.

The Hotel Workers Branch runs a weekly advice surgery. It is always packed out. The workers who come to see us are stressed, distressed and pushed to their limit by the constant dismissal by their management of anything they have to say about conditions at work.

We help them to formulate grievances and to exercise their legal right to be accompanied by one of our trained branch reps at meetings with their employer.

We get good results. We have built local relationships with a number of managers and HR personnel based on constructive dialogue and mutual respect.

However, there are still far too many instances where we meet managers who are poorly trained, confrontational and wholly disrespectful of our rights and the role we are legally entitled to play as companions.

We also help workers to understand their basic human rights in terms of freedom of association and collective organisation. We do this by engaging with workers on common issues and helping to translate these into collective grievances.

It is here that we meet the most resistance from employers. Many simple deny the basic right to freedom of association by insisting that they do not accept collective grievances. Each signatory to a collective grievance is then expected to attend an individual hearing, which many find both stressful and intimidating.

Where collective grievances are accepted we often find that those identified as ‘ringleaders’ are spoken to individually and offered substantial sums of money in confidential settlement packages to leave.

Where this fails many employers resort to crude attempts at victimisation in order to ‘manage’ these individuals out of the business. These are not isolated incidents. They happen too frequently to be considered anything other than a standard industry practice developed with the wholly unethical intention of denying workers their basis right to freedom of association. The aim is to penalise and marginalise anyone who dares to speak out and to engender a climate of fear amongst the workforce.

Some case studies from the hotel branch surgery

With assistance from the union a member submitted a grievance about the conduct of his management team. The grievance outcome was not in his favour. He was then suspended and subjected to a gross misconduct charge for pursuing the grievance in the first place. He was dismissed and only reinstated on appeal. By then he had suffered over six weeks of punishment for raising legitimate concerns in good faith.

A long serving employee raised concerns about the manner in which staff were treated in her department. Despite having an excellent employment record she then found herself subject to a performance management process clearly designed to engineer her dismissal.

Our front of house survey - made up of results from luggage porters, concierge, doormen, and reception – revealed the following:

47% of front house staff frequently start early for no extra pay
33% of front house staff frequently finish later than official finish times without extra pay
53% frequently miss meal and rest breaks due to workload and staff shortages
36% currently owed money for hours worked.
At her dismissal hearing her union rep was constantly shouted down and told he was not allowed to speak. The member took her case to a tribunal. Not only did she win, she also received a substantial uplift in compensation because her employer's treatment of her union rep had breached her basic employment rights.

A member was physically assaulted by his supervisor. He reported this to the police. The police investigation concluded there was sufficient evidence to confirm an assault and issued a formal caution against the supervisor. The hotel took several weeks to investigate, during this time the supervisor was allowed to carry on working as normal. Despite the decision taken by police and supporting CCTV evidence the hotel concluded that there was insufficient evidence to discipline the supervisor.

The most vocal of the union members was then accused of bullying staff into signing the grievance and intimidated that they withdrew from the grievance. The member himself was then suspended from work over a relatively minor issue. The suspension lasted four weeks before the case was dropped. This was viewed by the member as a punishment for complaining about his supervisor but by then he was too frightened to pursue matters further.

A group of workers submitted a collective grievance about changes to work practice being forced on them. The hotel insisted on meeting each signatory individually on a one to one basis, rather than allowing the matter to be heard as a collective issue. This resulted in a number of them feeling so intimidated that they withdrew from the grievance.

The most vocal of the union members was then accused of bullying staff into signing the grievance and dismissed for gross misconduct. When the union lodged legal action for victimisation for trade union activity and assertion of statutory rights the hotel backed down and paid a large sum in settlement of the claim. A year later a supervisor from the hotel attended the surgery.

She confessed that she had been tasked by the hotel to pressurise staff into making statements that they had been bullied into signing the grievance. Staff had been fearful for their job and had signed statements which were not true. The reason she came to the surgery was that the same thing was now happening to her. She had submitted a grievance and had subsequently found herself the subject of an unfounded allegation of bullying. When the union exposed what was going on the supervisor was offered a large sum of money in exchange for signing a confidentiality agreement.

A member complained about the conduct of her manager. Within days of her grievance being submitted she was suspended and then dismissed based on a written complaint from a customer. The customer complaint had no foundation. The member then discovered that the customer was sharing a flat with her manager. It was clear that that whole situation had been engineered as a punishment for her complaint about her manager. On appeal her dismissal was overturned. The manager then resigned.

A member working as a waiter was covering a shift for an assistant manager in his hotel. He was given the access code for the files relating to the operation of the department. For some time staff had been asking questions about the operation of the service charge tronc and not getting any satisfactory answers.

He found a spreadsheet which showed that members of management had regularly been awarding themselves extra points and diverting the lion's share of the service charge to themselves. When he raised concerns he was immediately suspended for printing off the document without authority and subject to disciplinary action. Rather than dealing with the conduct of the management team the member was offered a large settlement to leave and was required to sign a confidentiality agreement.

Management reserves the right to refuse entry

The Equality and Human Rights Commission (EHRC) defines refusal of access for union officials to speak to employees as a negative indicator in terms of an employer's respect for the human right to freedom of association.

Within the hospitality sector it has pretty much become standard industry practice for such access to be denied as a matter of course. For many years now trade unions have been locked out and basic human rights of the workforce to organise and be represented independently are effectively sidetracked. London's hotel market is dominated by global hotel brands, which by their status as multinational enterprises are expected to follow the provisions of the OECD guidelines when it comes to relations with trade unions and proactive respect for freedom of association and collective bargaining.

Five of these global hotel chains, IHG, Hilton, Carlson Rezidor, Melia and Accor are all additionally signatories to the United Nations Global Compact, which further commits them to actively promote the rights of their workers to both freedom of association and collective bargaining. Two of these chains, Melia and Accor, are also signatories to global trade union rights agreements with the International Union of Foodworkers.

With exception of IHG and Melia none of these chains has entered into any form of dialogue around the issues of union access. In the case of IHG the company has consistently failed to deliver on numerous promises and commitments given in prolonged discussions over a five year period.

Hilton, for example, operates a global code of conduct which states that the company respects the lawful right of its employees to freedom of association and their lawful right to choose collective bargaining. Yet the company consistently fails even to acknowledge receipt of letters from Unite seeking to establish dialogue on these issues.

Here's what union members working in Hilton branded hotels feel about the application of the code in their workplace:

92% do not agree the company policy statement that they can raise questions without fear of retaliation is true for their workplace.

53% do not agree that the company policy statement that their lawful right to freedom of association will be respected is true for their workplace.

50% do not agree that the company policy statement that their lawful right to collective bargaining will be respected is true for their workplace.

Extracts from OECD guidelines for multinational enterprises

Under the guidelines multinational enterprises (MNEs) have the responsibility to:

- Respect the right of workers to join trade unions
- Respect the right of workers to bargain collectively
- Provide facilities to assist in the development of effective collective agreements
- Publish a human rights' policy including the right to form or join a trade union and bargain collectively
- Involve workers and trade unions in conducting human rights due diligence
- Stop the harmful practices that are causing or contributing to infringements of trade union rights
• Remedy actual infringements of trade union rights where the MNE has caused or contributed to them
• Use leverage so that business partners mitigate or prevent the infringements of trade union rights where the MNE has contributed to or is linked to those adverse impacts.

**United Nations (UN) Global Compact - principle three: Labour**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

• Provide workers’ representatives with appropriate facilities to assist in the development of effective collective agreement; and
• Do not interfere with the activities of worker representatives while they carry out their functions in ways that are not disruptive to regular company operations. Practices such as allowing the collection of union dues on company premises, posting of trade union notices, distribution of union documents, and provision of office space, have proven to help build good relations between management and workers, provided that they are not used as a way for the company to exercise indirect control.

**Harassment of organisers**

As a consequence of being denied access to the workplace, organisers from the hotel branch are often to be found giving information to workers about their basic human rights to freedom of association and collective bargaining at hotel staff entrances and it is here that the true extent of the abuse of these rights regularly comes to the fore with management, HR and security engaging in openly hostile acts of harassment.

Here are some experiences. These not isolated. They are frequent and common occurrences.

“We were leafleting outside a large hotel in Westminster when the HR manager came out and told us we had no right to be there or to talk to hotel staff. When we stood our ground and made it clear we had every right to provide information on union rights to staff she went back inside the hotel. A little while later an armed response unit from the Metropolitan police arrived. They said they been called out because someone was allegedly causing trouble at the back of the hotel. When we explained what we were doing they couldn’t believe that they had been called out and wished us luck. We were later told by a member who worked in the hotel that management had instructed staff to leave by the front entrance to avoid seeing us.”

“We were standing at the staff entrance when hotel security came out and challenged us. When we asserted our right to be there he went back into the hotel and returned with the HR manager who insisted that we were not allowed to be on company property. We pointed out that we were standing on a public pavem ent and had every right to be there. The HR manager then proceeded to grab leaflets back from every member of staff who took one from us stating she was confiscating them.”

“We were talking to staff a manager appeared and stood watching us. I went over and asked him what his position was. He replied ‘stationary’. I asked if that meant he worked in some sort of admin position. He replied ‘no, it means I’m stationary and I am remaining stationary until you leave.’ Clearly this made staff extremely wary and uncomfortable about engaging with us.”

“We had been leafleting for a while and getting a good response from staff when a member of security turned up with a clipboard. Each time an employee came out of the staff entrance he would ask them to step inside the luggage room. When they came out they walked past us without making eye contact or taking a leaflet. One employee called one of us round the corner and told us that the security had been pressuring staff into not talking to us and telling them they would get into trouble if they did. When we challenged the security about his actions he began taking photos of us with his mobile phone.”

**Make London ethical — our aspirations**

We do not believe our aspirations are unreasonable or indeed unachievable. Our aim is to win respect for our human rights in order to establish a collective bargaining process with the following objectives:

1. **A wage you can live on** – We want to see the lowest paid hospitality worker in London paid at least the London Living Wage. We are realistic enough to understand that this cannot be achieved overnight. We want constructive dialogue with employers on how to phase this in. What we can no longer accept is a situation where the floor set by the National Minimum Wage has effectively become the ceiling for many of our members.

2. **Safe, secure work** – Our members need to work in an environment where they are treated with dignity and respect and are not subject to constant job insecurity through workplace bullying. They need to be able to raise concerns about their health, safety and welfare without being told: ‘This is how it is and if you don’t like it you know where the door is.’

3. **Guaranteed hours every week** – Zero hour and temporary contacts should be the exception rather than the rule. Many of our members are working in excess of 40 hours every week, proving beyond a shadow of a doubt that there is full time, permanent positions available for them within the industry.

4. **Training, development and career opportunities** – Our members require key skills such as ESOL, literacy and numeracy to assist them to acquire the skillset needed to progress their careers. Learn with Unite has a key role to play in this. Our union reps need to be able to attend training to enable them to engage with their employers on an equal and legitimate footing.

5. **A collective voice and union representation** – Employers must engage fully with our union at all levels to ensure that the principles attached to the right to freedom of association and collective bargaining are not only fully respected but actively encouraged and promoted in line with OECD, UN and other standards, protocols and guidelines.
The UK hotel industry enjoyed another record breaking year in 2015. London occupancy has been at its highest this decade at 84%, rising 1% in 2015 and 0.3% in 2016. In the rest of the UK occupancy rates have been at their highest ever at 77%.

London occupancies have remained at an average of 80% or above since 2006.

The average daily rate (ADR) per hotel room in London is £145 – an increase of 2.2%.

The revenue available per room (RevPar) is £122 with growth rising steadily for the seventh consecutive year, up 2.3% in 2015.

The average payment by hotel to contract cleaning agencies in housekeeping departments is £3.88 per room. A room attendant will be expected to clean approximately three rooms per hour on £7.20 per hour – that’s a labour cost of £2.40 per cleaned room.

Demand continues to outpace supply. Available hotel rooms in London across all budgets stands at 141,500 with an additional 7,000 expected to be available in 2016. VisitBritain’s forecast for 2016 is for 36.7 million visits, an increase of 3.8% on 2015; and £22.9bn in visitor spending, an increase of 4.2% on 2015. This is a new record for the UK tourism industry.

2015 was also a record year for deals with £10 billion changing hands. Currently the biggest investors are private equity and sovereign wealth fund investors, originating, mainly from the Middle East and Asia. Private equity transactions now account for 28% of transactions compared to 12% in 2012. High net worth individuals (HNWI) and sovereign wealth investment shot up from 10% in 2010 to 35% in 2015.

JLL (Jones Lang LaSalle) reported in 2014 that the total of commercial real estate invested in the UK amounted to £65bn.

So where is most of this productivity, wealth creation and profit making located?

The top five London boroughs with the highest concentration of hotel rooms are:

City of London and Westminster – 37,025 rooms
Camden – 17,476 rooms
Kensington and Chelsea – 16,107 rooms
Hillingdon – 9,428 rooms
Tower Hamlets – 6,593 rooms

Can London hotels afford to be ethical?

Workers’ pay, rents and rising incidents of rough sleeping contrast sharply with the room rates and profits of the hotel chains in these same boroughs.

Westminster has the highest number of rough sleepers in the capital with 2,570 people seen rough sleeping in 2014/15 representing a 17% increase on 2013/14. The City of London recorded 373 people sleeping rough in 2014/15 – an increase of 18% on 2013/14. Rents in the borough average £2,102 per month - 50% of average household take-home pay in the borough.

Camden saw 563 people sleeping rough in 2014/15 representing a 12% increase on 2013/14. In Kensington and Chelsea 225 people were seen sleeping rough in 2014/15 representing an increase of 23% compared to 2013/14.

Tower Hamlets witnessed 377 people sleeping rough in the borough in 2014/15 an increase of 16% compared to 2013/14.

Statistics are separated for Hillingdon and Heathrow with 57 homeless sightings for Hillingdon in 2014/15 and 266 for Heathrow in the same period.

- 27% of Londoners live in poverty after housing costs are taken into account, compared with 20% in the rest of England. Hotel workers in London are amongst the lowest paid in the capital with the majority earning the minimum wage.
- The majority of people living in poverty are in a working family. As employment has increased so has the number of people in a working family in poverty - from 700,000 to 1.2 million in the last decade, an increase of 58%.
- The total wealth of a household in the bottom 10% percentile is £6,300; towards the top (the 90th percentile) it was £1.1 million. London’s 90:10 wealth ratio is 173, almost three times the ratio for the rest of Britain (at 60).
- Almost 700,000 jobs in London (18%) pay below the London Living Wage. This number has increased for five consecutive years, particularly among men working full-time.
- At 860,000 there are more people in poverty in private rented housing than there are in social rented or owner-occupied homes. A decade ago it was the least common tenure among those in poverty.

Impact of unethical London hotels in the context of wider social inequality
It doesn’t have to be this way. New York and London share many similarities. Capital cities that are famous for their theatres, sporting venues, museums, art galleries and restaurants. They both have histories closely entwined with their nations. They also share the same global hotel brands. They charge roughly the same room rates.

However, this is where the similarities end. New York hotel workers have safe, secure and very well paid employment. They have career and development opportunities. Their contribution to the hotel sector is appreciated and valued and, very importantly, they are treated with dignity and respect. In short the very opposite of the experiences of their colleagues working in the same types of jobs for the same global chains in London.

So why the big difference?

It’s simple, New York hotel workers are union members, part of their own collective organisation which gives them the power to sit down opposite their employers and negotiate a fair deal that enables them to enjoy a good quality of life and the employers to make healthy profits.

Employers in New York respect the rights of hotel workers to freedom of association and collective bargaining and engage in a constructive manner with the trade unions which represent them and have entered into a city wide agreement on terms and conditions of employment.

That’s why we often use the phrase “A tale of two cities”. We are not raising false expectations but we want to demonstrate that it’s quite possible for hotels to make good profits and pay good wages through the perfectly normal process of collective bargaining.

We want the global hotel chains which have signed up to respecting and promoting freedom of association and collective bargaining to be true to their word and stop treating London hotel workers like second class citizens.

We want London’s leading politicians to actively support these aspirations too.

We don’t want to be fobbed off with bland and non-committal answers like the one given recently by outgoing Mayor, Boris Johnson to Murad Qureshi AM.

**Trade Union Recognition and Rights for Hotel Workers in London**

**Question No: 2016/1208**

**Murad Qureshi**

Major hotel chains in New York, like the Hilton, have signed up to trade union recognition and improved the terms and conditions of hotel staff; why can’t we do the same in London?

**Written response from the Mayor** - I have encouraged all employers in London who can to afford to do so, including those in the hotel sector, to pay their staff the London Living Wage.
This report shows that global hotel chains in London are guilty of seriously breaching the basic human rights of their employees to freedom of association and collective bargaining. This why we are reiterating our proposal for the widespread adoption of a set of ‘City Wide Principles’.

We therefore call on all hotels operating in London to adopt the following city wide principles, based upon the key provisions of the OECD guidelines, the Ethical Trading Initiative Base Code and the United Nations Global Compact.

1. To respect the right of all employees to freedom of association within their workplace through the organisation of Unite as an independent trade union.
2. To allow suitable access facilities for Unite officials to present to employees the benefits of trade union membership.
3. To remain neutral in the face of union organising drives by Unite and to refrain from any acts of victimisation / less favourable treatment against active trade union members within their workforce.
4. To provide for secret ballots on the establishment of collective bargaining arrangements where an independent validation of majority support can be established amongst the workforce.
5. To respect the outcome of such ballots based on a straight forward majority.
6. Where a majority vote in favour - to establish a bargaining framework which addresses the following key issues.
   • Recognition of Unite workplace reps in the following categories or combinations– shop stewards, safety reps, learner reps and equality reps.
   • To engage in a genuine ongoing dialogue regarding the phasing in of the London Living Wage as a minimum standard for all employees, with equal treatment of sub-contracted and agency labour.
   • To develop a joint learning and training strategy providing for equal opportunity for all employees in terms of acquisition of skills, progression and promotion.
   • To work together to ensure the health, safety and welfare of all employees is fully protected and respected.
   • To promote agreed policies and procedures to ensure zero tolerance of workplace bullying and fair and transparent distribution of tips and service charge.
   • To jointly develop any other jointly beneficial initiatives that may enhance the spirit and intent of the Core City Wide Agreement.

“The continuing importance of collective bargaining in the twenty-first century derives from its potential as a powerful tool for engagement between employers’ and workers’ organizations to address economic and social concerns. It can strengthen weak voices and reduce poverty and social disadvantage. This can be done by applying collective bargaining to the needs of the parties and promoting voluntary agreements that sustain the well-being of individuals and enterprises.”

(International Labour Organisation)

Sources:
Growth is in the air – UK Hotels Forecast 2016, PwC taking stats from Dealogic, HVS, PwC analysis, AM:PM Hotels and RCA
Sources: Valuation Office Agency:
London Datastore:
http://data.london.gov.uk/dataset/earnings-place-residence-borough
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CHAIN - Combined Homelessness and Information Network http://www.mungos.org/chain
London’s Poverty Profile 2015 http://www.londonpovertyprofile.org.uk/
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