



Fighting for UK Jobs (Again)
30th June 2020

1 Update on events and Failure to Agree (FTA)

The table below shows an overview of the UK reductions in the Civil Aerospace business for 2020. We are yet to be advised of the proposed reductions in Phase 2 (2021).

	Current % of UK Wage Bill	Total UK Employees	Proposed UK Reductions	% UK Reduction
Executive	2%	87	0	0%
Managers	28%	4438	324	7.3%
Staff	41%	10319	1088	10.5%
Works	29%	8242	1881	22.8%
Total	£2.16bn	23,086	3293	14.3%

From our first newsletter dated 4th May “*The first difficult discussion we had was over the arrangements for the 10% pay deferral. We wanted to ensure we were ‘all in this together’, so we asked that the payment of the all employee bonus scheme (AEBS) was stopped immediately. We calculated that this could save the company around £100m. The company refused.*”

We have been waiting for the company accounts to be lodged with Companies House this should normally have been submitted before the 30th June. It seems the company have conveniently been granted an extension to 30th September, as a result we are unable to confirm the bonus payments. The TU via the UK Council have requested the information.

The reconvened FTA meeting due to take place on the 19th June was postponed at the Company’s request to the 23rd June – so that the Company “could present the global figures and strategy restructuring update (Phase 2)”. The following information was provided:

Location	2020 reduction in heads	Current Headcount (at AP4)	Reduction as a proportion of total country heads (%)	Total % of 2020 proposals
UK	3,900*	15,283	25	87
Germany	168	3,453	5	4
USA	200	1,349	15	4
Singapore	230	929	25	5
Total	4,498	21,014	21	100

* Includes contractor reductions

Do the tables above demonstrate we are ‘all in this together’?

The Company then presented several slides concerning their strategic review principles, alignment, protect our core capability, consolidation, competitiveness, manufacturing footprint and global network design. Unfortunately, this gave us no additional information. We believe that the Company are playing for time as we know in many cases, they are fully aware of their future intentions.

We feel this is cruel – we will be trying to mitigate compulsory losses as much as possible in Phase 1, only to be hit again in Phase 2. So much for treating people with dignity and respect.

At the reconvened FTA on the 23rd June we reviewed the position of the original terms of reference (see Newsletter 3) with the following additions:

- Controls in Solihull and Ross Ceramics excluded from the National Voluntary Severance Terms
- Controls in Solihull and Ross Ceramics excluded from the National Redundancy Agreement.

The Company then stated that they had wanted to put on the table a ‘package’ of conditions over and above redundancy, which included changes to the way Ross and Controls would be treated.

Infuriatingly this ‘new’ information should have clearly been tabled before the FTA and could be viewed as an attempt by the Company to prevent an exhaustion of procedure. It was agreed that we would adjourn the FTA once again.

The Company presented their ‘package’ on 24th June. We requested an adjournment to compile points of clarification. When we finally responded, we made it abundantly clear that the vast majority of UK sites considered the VS cut-off date of 26th June to be unrealistic. This has been a point that we have been making to the Company for over a month.

We stated that a pre-condition of discussing any package with the Company would be an extension to the VS cut-off date. We cited the following reasons:

- It was blatantly obvious to anyone with a basic understanding of our business that the date of 26th June was totally unrealistic to provide mitigation options.
- The TU negotiating team registered the lack of meaningful communication (especially those relating to pensions options) to employees at work, working from home, on furlough, anyone ‘shielding’ and those on sickness absence. We assisted the Company in drafting a briefing pack. On a national TU call on 24th June we requested feedback from all affected UK site’s senior TU representatives if this briefing pack had been communicated. It was clear from the responses that on 90% of sites this had not been accomplished. Therefore, the vast majority of the workforce did not have the information to make an informed decision.

The Company initially refused, but after we threatened to reconvene the FTA the Company finally accepted that their timeline was unrealistic and extended the VS deadline – on the condition that we would enter discussions on a ‘package’.

Recognising the distress that the Company’s timeline was causing to numerous individuals by not having pension information or the possibility of mitigation into an alternative role, we agreed to enter discussions with the Company.

We have continued to voice our concerns that the Company’s behaviour is often at odds with its values of treating people with dignity and respect.

*You may have got the impression from Company communications that extending the VS window was their idea. **It was not!***

The FTA stands adjourned and is scheduled to reconvene on 6th July.

2 The Company 'Package'

The Company 'package' comprises of the following:

- National Compulsory Redundancy Agreement and Terms and associated criteria. (e.g. selection, etc...)
- Voluntary Severance for Controls in Solihull and Ross Ceramics
- National Redundancy Agreement and Terms - Post Covid-19
- Furlough – Phase 3 (including shift notice and protection terms)
- Reduced Hours Working (including reduced pay)
- Productivity and Efficiency (Terms & Conditions including new starters)
- Closure of the Final Salary Pension scheme to future accrual
- No pay increase for 2021

We asked for clarification on these headings and they responded. The areas of the business in which this package will apply are still to be confirmed.

In respect of VS for Controls & Ross Ceramics, the following was agreed:

- Voluntary Severance terms for Controls in Solihull are the legacy Controls terms plus an extra top-up.
- Agreement that local negotiations take place for Ross Ceramics with a Full Time Official and a member of the negotiation team to agree the Voluntary Severance terms for Ross Ceramics.

3 Health & Safety

Despite the government relaxing its social distancing measures to '1m plus', where social distancing of 2m is not possible the TU's position remains unchanged. Clearly for the last 3 months we should have all been observing the 2m rule and we will continue to operate to this.

The scientific evidence is clear that the risk is reduced with increased social distancing, therefore we see no reason to increase the risk to the workforce.

4 Apprentices

The Apprentice Furlough Principles have been updated to prioritise the 2020 out of time apprentices into work to complete their apprenticeships.

The TU have negotiated that those finishing their current apprenticeship will have an 8 weeks' notice period (something they do not currently have).

In addition, there may be an opportunity to apply for a temporary training extension provided a vacancy exists during mitigation (before the role is permanently filled).

A review has taken place on 2020 intake and a further update will be issued shortly on conclusion of discussions.

6 Next Steps

We wish to convey our continued solidarity to our members across Civil Aerospace – in particular at Inchinnan MRO. The employees at Inchinnan MRO feel completely isolated because of the actions taken by the Company. Please be reassured that we are doing all that we can to assist everyone at this very difficult time.

The TU negotiating group will continue negotiations on the Company 'package'. These discussions are likely to be complex, uncomfortable and difficult.

We will continue to fight for our members. Stay strong and remember the only source of fact and truth is via these newsletters.

All our communications can be seen using the following Link:

<https://unitetheunion.org/campaigns/rolls-royce-play-your-part-in-rebuilding-our-economy-dont-slash-jobs/>



Thank you for your continued support.

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