Barnoldswick

Following the dispute in Barnoldswick previously reported upon, we are pleased to inform you that following very difficult negotiations we have reached the principles of a Memorandum of Understanding (MoU) with the Company (see Appendix 1).

This has now been accepted by the Barnoldswick workforce and has allowed for the suspension of industrial action, which will allow time for the principles to be incorporated into a detailed agreement.

This outcome was only achieved by the workforce taking a stand in the first instance, which was then supported by national collective pressure that also influenced the negotiations regarding Ansty, Hucknall and Inchinnan. We would also like to point out the importance of our Dispute Fund in supporting the action that was taken and the collective resources of Unite to get this over the line.

Ansty and Inchinnan

We have eventually reached an agreement on the MoUs covering Ansty and Inchinnan, they are being presented to the local site TU committees and, if approved, will then go to the local membership for balloting. As with Barnoldswick above, we will share the details in a future newsletter once the respective workforces have been communicated to, balloted and accepted the agreement.

Hucknall

Following our negotiations, a ‘side letter’ covering several assurances regarding the transfer and sale of the Hucknall site has been concluded. On Monday, the TU National NDA group shared this side letter with both the Hucknall Works representatives and the representatives covering the impacted Derby and Hucknall Staff population.

It has been agreed that local consultations can commence next week to initiate TUPE – Transfer of Undertakings (Protection of Employment) Regulations 2006 – discussions.

It is acknowledged by National and local TU groups that until the actual buyers are known, several guarantees and assurances may need to be revisited. Therefore, even though Hucknall will be transferred to ITP in the interim, they will continue to have the support of the National TU Group and access to the RR Dispute Fund until a sale is concluded.

Annesley

Following local consultation with representatives in Annesley, an alternative proposal to the Company’s business case was submitted for consideration before Christmas. Our proposal was to keep the inertia welding machine and associated tasks running in the UK, rather than mothball the UK machinery and run with just one machine in Germany (as was the Company’s proposal). We have now been waiting for feedback and a decision on the alternative proposal for some time to the point of enforcing the company to provide a response by the end of this week.
Derby and London Heathrow EOS

At present Derby and London Heathrow EOS are covered by a HR1, but no S188 yet on the 150 reductions (they are still classed as an affected group). Several secondments are ongoing (including to the RAF), in addition to maximising furlough. We will be looking at further mitigation opportunities for both the Derby and Heathrow sites. Local discussions continue within EOS in relation to the Heathrow facility and its potential closure. Several scenarios have been tabled and a number withdrawn as not being viable. Feasibility of the transfer of the work continues.

Load Reductions - Works

Last week, the company announced the S188 for Works reductions and the information has been shared with the affected sites as below. The Works Workstream 1 was initiated and will look to maximise mitigation and redeployment opportunities (including apprentices) at both regional and national level.

<table>
<thead>
<tr>
<th>Derby</th>
<th>Turbines</th>
<th>Rotatives</th>
<th>Hucknall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ansty</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barnoldswick</td>
<td>72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inchinnan</td>
<td>43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotherham</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Load Reductions - Staff

Consultations are ongoing in some functions and some have closed as the reductions have been mitigated. Below is the latest from the consultations that have taken place:

- **Planning and Control** – consultations are taken place regarding the Supply Chain Lead accountabilities and how/where the task is being performed. This function is yet to be mitigated

- **Manufacturing & Quality** – consultation still ongoing as the functions are yet to be mitigated

- **Business Improvement and Supplier Operations Support** – consultation still ongoing as the functions are yet to be mitigated

- **Strategic Procurement** – several new roles will provide mitigation for several affected people

- **Civil HQ and Customer** – consultation closed and functions mitigated

- **Services** – there are no consultation forums currently underway due to no proposed impact. We have been informed that there are several vacancies in Services which will be advertised and form part of the mitigation required for other areas

- **iHub & Civil Sec/PA** – these functions have not yet been mitigated and consultation has now started
- **Finance** – under the finance transformation several vacancies have been created and will be used to mitigate where required

- **Engineering (PD&T)** – we are still waiting for the full impact and reductions left in Engineering.

Finally, we were informed by the Company that when all the matching and slotting has taken place and all the Staff have been mitigated, they would like to look at matching Managers who are at risk of redundancy into staff jobs.

Whilst we will endeavour to support any mitigation, we made it clear to the Company that we have other Staff areas such as Engineering (reductions yet to be identified) as well as Works and Apprentices that may need to be mitigated and they must adhere to the priority order agreement we have in place when we are going through a manpower reduction programme.

**Temporary Covid19 MoU**

After many months we have now concluded the details of all the temporary changes that have been made since April 2020 into a temporary Covid19 MoU. All changes will cease no later than end of March 2021. Summary change details of the Temporary Covid19 MoU are;

- Reduced Hours Working Arrangements expire on the 28th February 2021.
- Temporary shift notice arrangements expires on the 28th February 2021.
- In Civil Aerospace and Central Business Areas base pay and all-inclusive salaries will be frozen until the 28th February 2021.
- Employees in Civil Aerospace and Central Business Areas no progression or promotion increases will be applied until 31st March 2021. Any increases pending as a result of progression/promotion recommendations received prior to the 6th April 2020 will be applied from the 31st March 2021 and will not be back-dated.
- Employees in Defence no progression or promotion increases will be applied until 31st March 2021. Any increases pending as a result of progression/promotion recommendations received prior to the 6th May 2020 will be applied from the 31st March 2021 and will not be back-dated.
- Employees In Civil Aerospace and Central Business Areas overtime and additional hours payments will not apply and will not be paid until 28th February 2021.
- Fixed service-related increments for Civil Aerospace employees where applicable will be deferred from 1st April 2020 to 28th February 2021 for all eligible employees, and the value of the increase to base pay only repaid back as a lump sum in March 2021. Employees’ base pay will be adjusted as at the 1st March 2021 to reflect their new increment point. Starter/training rates will also be adjusted from the 1st March 2021.
- Lieu, leisure or additional hours’ days will not be accrued in Civil Aerospace or Central Business Areas until 28th February 2021. Lieu, leisure or additional hours’ accrual in other businesses will be subject to local business review.
- Company Sick Pay entitlement will be paid based on base pay/all-inclusive rate, excluding shift pay for all new periods of sickness absence for employees in work and not furloughed until 28th February 2021.
  - For Submarines employees in Defence, shift pay will be reinstated in accordance with the RRSL Employee Handbook in the calculation of Company Sick Pay from the 1st September 2020.

A copy of the Temporary Covid19 MoU is available from your TU Reps if you require the full detail of the agreement.
Furlough will continue until the end of April and the Temporary MoU covers the eventuality if it is extended. In the event that the government announces changes to funding levels or an extension to the Coronavirus Job Retention Scheme, furlough arrangements will be reviewed and appropriate changes made to align to available government financial support. This will be carried out by the National TU Group and will not require a ballot of the membership.

Any other future changes (non-furlough) that go beyond March 2021 – whether they are temporary or permanent – will require a ballot of those affected.

10 Days Unpaid Leave

We will commence discussions on the company proposal of 10 days unpaid leave for Civil Aero when the Company finally agree to the Ansty and Inchinnan MoUs, the package MoU and the temporary redundancy MoU (which has been problematic from the first day when they ripped up the old agreement).

Whatever the outcome, the 10 days unpaid leave for Civil Aero will be balloted nationally when all details are known in its application. The National TU Group believe that this should be applied to all employees in Civil Aero up to and including senior management and board members to support such a cost saving proposal.

Restructuring Framework Principles (Package) MoU

Last year we negotiated a principles package that we initially communicated in Newsletter 6. We have yet to finally conclude this agreement and will communicate this when finalised.

Any changes to terms and conditions as a result of these discussions will require a ballot of affected members.

As part of this MOU there will be no pay claim for 2021 for Civil Aerospace and Central Business Areas

Pensions

The future transition arrangements regarding pensions are still under discussion and are covered by a Non-Disclosure Agreement (NDA) with the Trustees, Company and Pensions CNC. Due to the complex nature and the ongoing valuation of the Rolls-Royce UK Pension Fund (RRUKPF) these discussions will continue into February. On completion of these discussions the Pensions CNC will issue a newsletter.

Transition arrangements will be provided to improve your pension for the future. Therefore, because discussions are yet to be concluded the simple message is keep calm, do not panic and think you need to do anything with your Define Benefit (DB) Pension at this point in time.

Be very wary of cold calling vultures wanting to discuss your pension.

Former DB members should have also received an introductory correspondence from Aviva concerning enrolment into the Defined Contribution (DC) scheme. We are aware that there have been issues with registering onto this site using Company IT equipment due to software protections, which we have escalated with the Company. The best advice is to either using the Google Chrome browser or your own IT equipment at home to log on to the website.

Further assistance and guidance on these and other related pension issues will be provided.
H&SE

We have concerns over some of the weekly COVID19 Safety Walks which we regard as being central to maintaining a safe workplace. In some facilities they are not taking place on a weekly basis and that in some areas the TU signature for signoff has been removed. It has been agreed to audit safety walks and reintroduce the TU signature requirement if they have been removed.

By now you should have also seen the Company are encouraging employees to wear face coverings when moving around the buildings and individuals are not at their place of work.

The TU have also requested that discussions should take place concerning testing in the workplace.

The Company have confirmed that if people are called to receive their vaccination then this should be treated the same as any other medial appointment in terms of time off purposes.

As we all know COVID has not gone away, so please remain vigilant and comply with all the safety guidelines.

Finally, remember that the only source of truth is through these newsletters and we thank you for your continued support.

All previous newsletters can be found at the following link:


Thank you for your continued support.

Steve Hibbert       Ian Wilson
Gary Andrews        Mark Porter
Ian Bestwick        Steve Jones
Mahf Khan           Stuart Hedley
Memorandum of understanding

Rolls Royce Barnoldswick dispute resolution

Building on the talks that have taken place over the last few months, and the subsequent constructive discussions that have taken place over recent days, the following memorandum of understanding has been agreed between Rolls Royce [the company] and Unite the union [the union].

No Compulsory Redundancy (NCR) for the Barnoldswick site – whilst the specifics of Barnoldswick are materially different to other sites across the group, the company have agreed to an initial period of 24 months during which time there will be no compulsory redundancies at the site. The agreed objective between the parties is to utilise this period to engage in plant level discussions, commencing in January 2021, on the provision of a long-term programme of manufacturing work for the site.

It is the objective of the parties to conclude these discussions in a timely fashion and within the period of the (NCR) agreement with quarterly reviews to include senior plant management and local trade union and regional officer representatives and six-monthly reviews at a national level, to include the company CEO, and Unite AGS for manufacturing.

⇒ This work programme will include but is not limited to progressing every opportunity to retain a manufacturing programme on the site. These discussions will commence in January 2021 and will include all and any developing work programmes relevant to the site, including fan blade repair, a proportion of fan blade manufacture and work packages from the development of the Small Modular Reactor programme and other manufacturing in green energy technologies.

⇒ The company are committed to a long-term future for the Barnoldswick site and will look at all opportunities for future growth. Notwithstanding this, the company is committed to ensuring the site retains a viable manufacturing work programme for the next 10 years.

⇒ In order to assist the long term future of the Barnoldswick site and aide transition to alternative work to secure long term employment opportunities in accordance with the objective of this MoU, the offload will be reviewed and potentially adjusted, to facilitate the transition arrangements to alternative employment.

⇒ In addition, a programme of on-going support for applications for voluntary severance will be retained alongside group wide redeployment opportunities and include opportunities across the wider supply chain including external secondments or permanent roles to third parties within the sector.

⇒ It is anticipated that in order to reach the revised workforce level via voluntary severance, redeployment will be a key element which the Company and TU will jointly work on. The company will provide financial support packages for those individuals who wish take up external retraining opportunities, including further education where the request is reasonable. The scope of available support will be agreed between the two parties. The Company will apply the Covid temporary redundancy VS terms for the period of the NCR agreement.
The Company will progress the current VS applications to assist in the move to the revised workforce level. However, should despite the best efforts of both parties, the revised workforce level not be reached within 24 months through either the provision of a work programme, suitable redeployment and / or external secondment or VS, any workers identified for compulsory redundancy as part of this programme will leave under the Covid temporary redundancy terms that are applicable in 2020/21.

Separate to the national discussions with regards the 10% productivity and efficiency which will apply to Barnoldswick, we will discuss locally a further 5% reduction in labour costs to help support the revised workforce levels.

Further to the above, the group will discuss agreement between the parties on the development of a ‘training school’ on site. The ‘training school’ will provide world class training to address the growing and changing requirements for skilled engineering across the group and its associated supply chain. We will utilise existing strengths, methods and machines at the site and combine it with advanced digital manufacturing techniques to set up the training school.

It will be a ‘Centre of Excellence’ for the provision of Advanced manufacturing skills associated with the SMR programme, zero carbon and carbon capture, storage and utilisation, jet zero and synthetic fuel developments and other transitional programmes to meet the challenges of climate change.

Revised workforce level
As a result of a combination of the above the revised workforce level will be a guaranteed minimum of 350 employees. This will be made up of a minimum of 200 jobs related to work programmes and upto 150 training jobs. The Company and the Union will work together and with best endeavours, use the coming discussions on current and future work programmes for the site, to enable the conversion of the relevant training roles into substantive jobs over the duration of the training period. This will assist in meeting the commitment to a minimum of 350 employees on site as described above.

The training school will receive a cohort of trainees as agreed on a rolling basis over subsequent years and at the conclusion of their training will move to available substantive roles on site, be offered suitable redeployment across the company and/or assisted into permanent rolls with supply chain partners.

It is recognised that in delivering the above the company and trade union will jointly engage in working with national government and any relevant agencies. To facilitate this the company is committed to establishing an external taskforce to be set up to help achieve the above objectives, with involvement of the site business lead, local MP, the LEP, Council leaders the trade union and other relevant stakeholders.

It is further recognised that after a period of retraining, there may be substantive roles external to Rolls Royce that individuals may wish to pursue, these opportunities will be made available to those with the relevant skill set.

Note, as with all sites, the Company will follow its normal process of consultation to manage specific load driven increases and decreases.
Suspension of the current programme of Industrial Action – both parties recognise the complexity of the on-going discussions and the time needed to carry those out in good faith. Therefore, and as a sign of good faith, the union will not issue any further industrial action ballots in January to enable these discussions to take place. As a consequence, the Company agree to mutually extend the statutory protections for any existing and subsequent notified action under the current ballot for a period of six weeks from the original expiry date to facilitate this.

Signed Rolls Royce: Date

Signed Unite the Union: Date