



## Memorandum of understanding Barnoldswick



### **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.

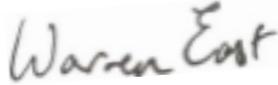
⇒ It is further recognised that after a period of retraining, there may be substantive roles external to Rolls Royce that individuals may wish to pursue, these opportunities will be made available to those with the relevant skill set.

⇒ 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:



Warren East  
CEO Rolls Royce

Date:

Signed:



Steve Turner  
Assistant General Secretary UNITE

Date:

Signed:

Nigel Bird  
EVP – Compressors



Date:

Signed:

Mark Porter  
Chair UK Council  
Barnoldswick Works Convenor



Date: