

Fighting for UK Jobs & Sites, etc (Again)

Despite recent Government announcements about the easing of lockdown and opening of the economy, we all understand that the Civil Aviation industry will take longer to recover, therefore we all must recognise that we will continue to face significant challenges and difficult decisions. Since the start of the Pandemic we have tried to ensure that any decisions have been applied as fairly and equitably as possible, we will continue to maintain this approach.

We also acknowledge the impact the pandemic can have on individuals mental health, we encourage all employees to take time to think about their own wellbeing as well as colleagues around them, we must ensure that people take the time away from work to recover, that is why it is important everyone takes holidays.

Ansty & Inchinnan

In our last newsletter we informed you that after months of difficult negotiations at a national level and the participation of site Senior Reps, we had reached the principles of a Memorandum of Understanding (MoU) with the Company for both Ansty (Appendix 1) and Inchinnan (Appendix 2).

Members voted overwhelmingly to allow for the local Representatives to incorporate the MoU principles into detailed site agreements. Local negotiations on those detail will now commence.

One outstanding subject for the National TU group to close out on behalf of the sites is how apprentices are to be dealt with, to ensure in line with our principles that all apprentices will be allowed to complete their apprenticeship.

Hucknall

We must report (rather unsurprisingly) that the second consultation meeting did not go well. As a result, the local TU (with the assistance of the Regional Officer) have registered a Failure to Agree (FTA).

Note that prior to this meeting the National TU Group had registered with the Company that any national discussions - once they take place - on the 10 days unpaid leave and/or 10% Productivity and Efficiency principle (see below) must exclude Hucknall as the TUPE consultation process had been initiated.

It seems we will need to make this very clear again to support our Hucknall colleagues and to make sure it's not a surprise to the Company (who also love to read our newsletters).

We will also continue to focus on how the apprentices are dealt with to ensure that the commitments given in discussions are adhered to.

Annesley

The Company eventually responded to a counter proposal tabled by the local TU Reps, which would involve the consolidation of Annesley into the Rotatives (Derby) facility.

It was confirmed that the closure of Annesley and consolidation into Rotatives (Derby) facility on D Site will proceed, but as part of this consolidation the company recognised the benefit of the 2nd Inertia Weld Machine in Annesley will now be moved to and recommissioned in Derby instead of the original proposal of moving all Inertia Weld work to Oberursel.

Off-load of the EJ200 Casing cell was also discussed and all parties confirmed their position that the off-load is required to make space for the 2nd Inertia Weld Machine in Derby. Discussions to move this work to Hucknall have been initiated. We will request that other in-house opportunities will continue to be explored if the work does not go to Hucknall. Local consultation on the enactment of the revised proposal will continue.

EOS Derby & London Heathrow

Our newsletters are always titled "Saving UK Jobs (Again)", with 'again' being the appropriate word. We have no better example to start 2021 than what's happening in EOS, please take the time to read the EOS newsletter (Appendix 3).

It is obvious this is another opportunistic attack on UK Jobs – It is worth noting that EOS Derby is the last wholly owned RR UK Civil Maintenance, Repair and Overhaul (MRO) base. If required, we will step in at a national level to support EOS to ensure we have a viable MRO base in the UK. We do not believe the Company strategic and footprint plans has been completed – this is just a steppingstone in achieving what we believe is their long-term objective, to continue to accelerate the outsource of Civil MRO to third parties.

Load Reductions – Works

A S188 was issued on 24th February for a reduction of an extra 50 people in EOS Derby, making a total for UK Civil of 320 directs.

For those people who have DB Pensions and are looking at VS the Pensions calculator has now been reinstated for everyone except former Rolls-Royce Engine Controls Scheme members (this should be available within a couple of weeks)

To allow those wanting to make a decision on taking up VS offers, it has been agreed the Works reductions timescale will be extended by two weeks.

Load Reductions – Staff

At the last consultation session, we were informed that there are only 3 employees not yet mitigated in the staff population in Civil. These should hopefully all be mitigated before the next consultation meeting.

In iHub there are a further 2 employees to mitigate, we believe that there are enough mitigation opportunities for this small number.

10 Days Unpaid Leave

As previously stated in our last newsletter, we will commence discussions on the Company proposal of 10 days unpaid leave for Civil Aero when the two outstanding agreements are finalised:

- Restructuring Framework Principles (Package) MoU
- Temporary Redundancy MoU.

Back in November 2020, the Company made several announcements as part of their 10 days unpaid leave proposals. Lieu days not being reinstated for 2021 was part of these proposals (excluding Defence). Both subjects were not consulted on prior to the announcements and to date no discussions have taken place.

It clearly states within the Temporary COVID 19 MoU (as reported in Newsletter 13) that Lieu, Leisure or Additional Hours days will not be accrued in Civil Aerospace or Central Business Areas until 28th February 2021 and that any other future (non-furlough) changes that go beyond March 2021 – temporary or permanent – will require a ballot of those affected.

Therefore, the position remains - from 1st March Lieu, Leisure or Additional Hours days should be accrued in accordance with local arrangements. Any changes need to have been approved by a ballot of the affected membership. Until then, accrual takes place.

In the case of those on furlough, whilst in work you accrue Lieu days and while on furlough you do not accrue Lieu days.

Productivity and Efficiency Principle (10%)

We communicated on the Restructuring Framework Principles (Package) MoU last year in Newsletter 6.

Recognising the agreement is not finalised, it states the following concerning the '10% principle':

Productivity & Efficiency (excluding the Defence Business):

The Company and Trade Unions commit to entering into open-minded discussions and to make progress on closing the productivity and efficiency gaps across UK sites, with the aim of achieving a plan for 10% improvement by the end of 2021. It is recognised that the pace of implementation will vary by how the productivity and efficiency is achieved.

Any changes to terms and conditions as a result of this 'principle' will require a ballot of affected members.

We have already stated and made it clear to the Company the 10 days unpaid leave proposal, if accepted by the membership, will form part of the 10% productivity and efficiency gap cost savings for 2021.

We have informed the Company that the 10 days unpaid leave proposal and the 10% productivity and efficiency principle should not be applied to apprentices.

Pensions

All employees who are in the Rolls-Royce Pension Fund & Rolls-Royce Group Pension Scheme, are now able to obtain an estimate using the on-line Pension estimator. It is expected that Rolls-Royce Engine Controls Pension Scheme member will have the same capability reinstated in a couple of weeks.

Additionally, Rolls-Royce Pension fund members considering VS with a leave date before 31st December 2021, aged between 50-55 will need to e-mail the Pensions inbox separately to obtain their Share of Funds Transfer value amounts.

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. The CNC intend to provide a more comprehensive newsletter next week.

For those that were in the DB Scheme you should have received a statement of your deferred pension following the closure to future accrual, confirming your benefits as at 31st December 2020.

This statement has caused some confusion, we ask ex-DB scheme members to ensure they read the whole statement, if they still have concerns, please also check their pension on-line which may address these concerns as to the detail of their deferred pension.

H&SE

The TU are clear that the joint COVID HSE audit/checklists carried out on a weekly basis require TU oversight and signature. The TU position has not changed throughout this pandemic to ensure workplaces continue to be safe environments. It remains to be a source of frustration, as we are informed the position is still being challenged by the Company in some areas.

Following the request by the TU regarding workplace testing two pilot areas were identified in Derby. The Company are now looking at expanding on this testing capability, further discussions are taking place. A separate testing pilot was also initiated by the Submarines business.

The TU have drafted a Home Working Agreement and we are awaiting a Company response.

COVID 19 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.

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

All previous newsletters can be found at the following link:

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



Memorandum of Understanding – Compressors Business - Ansty Site

Effective Date: - TBC

Background

Our objective is to continue manufacturing on the proviso we can address competitiveness issues on the site. To reflect our commitment to continue manufacturing we will provide a site guarantee of 5 years from the date of agreement.

Scope

This agreement applies to all employees within the works and staff groups (and future employees to these groups) within the Compressors Business – Ansty site.

Workforce Planning

In line with discussions around strategic footprint changes, the company commits to no further offload on the Ansty site for a period of 5 years from the date of signing this agreement. There will be no CR as a result of Strategic change for a period of 5 years. Changes to workload as a result of SORB will be dealt with through normal consultation process.

- No offload for a period of 5 years (load impact announcement on 5th November to be achieved by voluntary severance, suitable redeployment internal and external to Rolls-Royce and natural attrition)
- The No CR agreement applies to strategic decisions only – future load reductions are outside of this agreement.
- The company and Trade union will continue to work together to explore additional work that can be brought into the site from internal facilities or the external network which could include future development/manufacturing work related to climate change programs in line with company strategy.
- It is recognised that in delivering the above the company and TU are committed to discussions, with involvement of the appropriate government and other internal and external stakeholders. Progress on future development of manufacturing work will be reviewed at a national level.
- No offload or preparation of such work will be actioned within this 5-year period (excludes pre announced offload/workshare see Appendix 1)
- No second sourcing and training/knowledge sharing within the 5-year period (excludes pre announced offload/workshare see Appendix 1)
- No TUPE proposals will be tabled within the 5-year period
- If beyond the 5-year period there was a future announcement made on site closure, this would be discussed/consulted locally, and payments/processes associated with that would be in-line with the national redundancy agreements
- Note, as with all sites, the Company will follow its normal process of consultation to manage specific load driven increases and decreases.

Competitiveness

Separate to the national discussions with regards to the extension of Furlough, 10 days unpaid leave and the 10% productivity and efficiency which will apply to Ansty, we will negotiate locally a further 5% reduction in labour costs to help support and maintain workforce levels. For a period of 5 years, no further changes to pay and benefits will be applied outside this agreement.

Core non all-inclusive base pay* would out of scope for this review.

(* defined as Defined Benefit Base Pay element)

Trade Union Structure

The existing representative constitution and custom and practice will remain in place and vacancies will be replaced until a national collective bargaining structure is agreed.

Reviews

No agreement can cover every eventuality, both parties recognise the changing nature of the business and agree to reflect the changing business circumstances to ensure the agreement continues to be aligned with the intent at the point of signing.

Signed Rolls Royce: Date

Signed Unite the Union: Date

APPENDIX – WORKSHARE/OFFLOAD**Previously Communicated/consulted:****FLY Offload - % into Supplier**

	2018 – 2025 Minimum Scheduled Requirements	2026 Minimum Scheduled Requirements
Trent XWB Fan Case	70%	70%
Trent XWB Front Fan Case	90%	70%
Trent XWB Machined Mount Ring	100%	100%

UMW Offload - % into Supplier

	2021	2022	2023
Trent 1000 Fancase	100%	100%	100%
Trent 7000 Fancase	50%	60%	100%

Memorandum of Understanding – Inchinnan Site

Effective Date: - TBC

Background

Our objective is to continue manufacturing on the proviso we can address competitiveness issues on the site. To reflect our commitment to continue manufacturing we will provide a site guarantee of 5 years from the date of agreement.

Scope

This agreement applies to all Compressors/Rotatives employees within the works and staff groups (and future employees to these groups) on the Inchinnan Site.

Workforce Planning

In line with discussions around strategic footprint changes, the company commits to no further offload on the Inchinnan site for a period of 5 years from the date of signing this agreement. There will be no CR as a result of Strategic change for a period of 5 years. Changes to workload as a result of SORB will be dealt with through normal consultation process.

- No offload for a period of 5 years (load impact announcement on 5th November to be achieved by voluntary severance, suitable redeployment internal and external to Rolls-Royce and natural attrition)
- The proposal for offload of the shafts cell from Inchinnan to the Shafts business within Derby will commence on signing of this agreement. Consultation on timing/approach will take place locally.
- For the purpose of any reductions, Inchinnan employees will be pooled at a site level across Rotatives and Compressors in the first instance. Business specific pools will be at a secondary level.
- If any opportunities become available within Rotatives Derby, employees within the Shafts cell in Inchinnan will be considered for these roles as mitigation
- The No CR agreement applies to strategic decisions only – future load reductions are outside of this agreement.
- The company and Trade union will continue to work together to explore additional work that can be brought into the site from internal facilities or the external network which could include future development/manufacturing work related to climate change programs in line with company strategy.
- It is recognised that in delivering the above the company and TU are committed to discussions, with involvement of the appropriate government and other internal and external stakeholders Progress on future development of manufacturing work will be reviewed at a national level.
- No offload or preparation of such work will be actioned within this 5-year period (excludes pre announced offload/workshare see Appendix 1)

- No second sourcing and training/knowledge sharing within the 5-year period (excludes pre announced offload/workshare see Appendix 1)
- No TUPE proposals will be tabled within the 5-year period
- If beyond the 5-year period there was a future announcement made on site closure, this would be discussed/consulted locally, and payments/processes associated with that would be in-line with the national redundancy agreements
- Note, as with all sites, the Company will follow its normal process of consultation to manage specific load driven increases and decreases.

Competitiveness

Separate to the national discussions with regards to the extension of Furlough, 10 days unpaid leave and the 10% productivity and efficiency which will apply to Inchinnan, we will negotiate locally a further 5% reduction in labour costs to help support and maintain workforce levels. For a period of 5 years, no further changes to pay and benefits will be applied outside this agreement.

Core non all-inclusive base pay* would out of scope for this review.

(* defined as Defined Benefit Base Pay element)

Trade Union Structure

The existing representative constitution and custom and practice will remain in place and vacancies will be replaced until a national collective bargaining structure is agreed.

Reviews

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Signed Rolls Royce: Date

Signed Unite the Union: Date

APPENDIX – WORKSHARE/OFFLOAD

Previously Communicated/consulted:

Stage	SAT	ISTR + IRTR
84k HP Stator 1-4	80%	20%
84K HP Rotor 4-6	67%	33%

EOS Newsletter #3

25th February 2021



The national newsletters are always titled “Saving UK Jobs (Again)”, with ‘again’ being the appropriate word. We have no better example to start 2021 than what’s happening in EOS.

Before the pandemic the Company had big problems (Circ. £2.4Bn) with Trent 1000 AOGs and all EOS employees stepped up to the task to maintain fleet health and reduce grounded aircraft by developing methods for both in shop and near wing module removal, EOS proved its worth in addressing the situation whilst at the same time training the network how to undertake this.

We closed both of our sites in March 2020 in EOS whilst we developed alternative methods of working and risk assessed all tasks to ensure we could work safely during the Covid pandemic. This was only achieved with our membership volunteering and participating in this activity whilst we also maintained the capability to address the AOG situation. The Services Director himself was waiting on site for the outcome of the very first audit (which passed) and thanked the TU and employees for their efforts.

In the following weeks as well as initially furloughing the workforce we managed to put in improvement safeguards, new ways of working, restructured the engine teams, changed shifts and made permanent T&Cs changes to ensure we could return the workforce to address the T1000 situation.

During this time we had several visits from the Services Director and senior Company officers (including CEO Warren East) complementing the workforce for its efforts in getting EOS back to work delivering engines and taking away best practice to other parts of the Company.

All this was at the same time as letting 167 experienced EOS employees leave on VS in turn giving 100+ opportunities for others under risk of redundancies from as far as afield as Inchinnan and London who made the move to Derby EOS.

We made it very clear at the time to the Services leadership that to let this happen and then come back later for redundancies would be callous and cruel and a clear indication that delivering engines was worth more to the Company than treating people with respect and dignity.

HR1/S188

We then come to November 5th with the Works load reductions of 420 (270 civil operations and 150 of them EOS). Within Services, discussions were taking place as to the ‘bath tub’ situation (drop in load with recovery at a later date – 2nd half of year forecasted) and therefore a requirement to reduce costs - so VS applicants have been released, we maximised furlough, had volunteers on secondments internal and external to RR. We had even discussed that should government furlough finish, we could move to reduced hours working (4 day week) to maintain employee levels.

In January 2021 the Company formally announced the redundancy notices (S188s) affecting the operations works reductions (270).

However in EOS they did not announce any redundancy notices, continuing joint discussions and as part of the cost reduction measures discussed looking at redeployment of EOS employees into possible vacancies by those registering VS applications to leave the Company (in particular at PTF & Experimental due to aligned skill sets).

The TU asked the question how many are we able/willing to redeploy?
We had no answer. Two weeks later the Services leadership team came back with the intentions of putting out a redundancy notice (S188).

The TU asked the question what other reductions are proposed for the rest of the MRO global network – No answer.

The TU asked the question what other reductions are proposed within the services organisation – Answer: We have vacancies.

We therefore have to assume it is just EOS and let's not forget Inchinnan MRO which was closed in 2020 and they intend to close Heathrow (which is missing from the services organisational structure).

After difficult discussions it was jointly agreed the S188 will be at this time for 50 FTE's for the Derby site. It is envisaged with the number of VS applicants across the Derby business (in particular PTF & Experimental) that this will be achieved without the need for compulsory redundancies.

The company stated that as the 2021/22 load picture becomes clearer and the London proposals develop they may require an even further reduction of another 50 FTE's.

Obviously, our intent is not to have any compulsory redundancies but it shows this is not just about load but from our point of view it is an attack on the UK and EOS - the last wholly owned RR MRO base.

Services Org Structure

We eventually received the new services organisational slides, all 151 of them – we have raised a number of concerns and questions to the services leadership team and we are awaiting a response.

Furlough

Lastly we have also been in discussions on increasing furlough from 50% to 70% to ensure we are maximising every cost saving opportunity to mitigate as many of these reductions as possible.

Shift Times

In doing so we have ensured 7 day working continues on both sites. As part of this we have agreed to slightly adjusted (15 mins) start times for the 7 day shift pattern. (06.00-16.30) (17.00-02.30) a management communication will follow to confirm this.

Lieu Days

For those entitled to lieu days these will be reinstated for accrual from 01st March so weekly hours will revert back to 38 hours, therefore your working day is increased by 12 minutes. You will only accrue lieu days if you are in work i.e. not furloughed so we have to stress the importance of maintaining your attendance register.

Once again, thank you for your continued support.

Steve Hibbert
EOS – Convenor

Aiden Papworth
EOS Derby – Deputy Convenor

Mick Beardsley
EOS London – Deputy Convenor