



Newsletter #16

31st March 2021



Company Unpaid Leave Proposal

The Company announced in November last year the proposal for everyone in Civil Aerospace to take 10 days and Central Functions (HQ, GBS, iHUB & I.T) to take 5 days unpaid leave in 2021. The Company state that this is in order to support its cost reduction plans as part of their £1.3bn savings in 2020/21, to deliver positive cash flow in the second half of 2021.

We have requested that any plan for unpaid leave should be equally applied across the affected areas of the business at all levels, however the Company has made it clear they wish to continue with their original plan.

The UK operational shutdown (26th July - 8th August 2021) is for all UK Civil Aerospace teams, it results in a planned load reduction to drive pay cost savings. The Company has stated, claiming furlough for **all** employees across the UK Civil Aerospace business in this pre-planned way is not in line with the intent of the job retention scheme.

Importantly it must be noted throughout 2020/21 the TU have consistently raised the issue that the Company have not maximized or been consistent in the use and application of furlough since its inception across all areas of Rolls-Royce. We firmly believe If furlough had been maximized across all areas and levels within the business, we would have prevented the implementation of such a proposal.

Members on Furlough have been at the forefront of our discussions with the Company, recognising they have been (and may continue to be rotated) on furlough until the end of September, on 80% of pay. As a result, they have already significantly contributed to cost savings in 2020/21.

There continues to be a contradiction which has been consistently raised concerning the compatibility of any additional hour requests/working while the unpaid leave is being applied, we are still in discussions to resolve this situation.

We continue to review a list of Business exceptions for roles/areas in Civil Aerospace required to work the shutdown period (anyone who is asked to work the shutdown period will still be required to take the unpaid leave before 30th September 2021).

As previously reported, we have several MOUs to close out. We have finalised the Restructuring Framework Principles (Package) MOU, however, we still need to agree the terms of reference for the 10% Productivity & Efficiency principles. The Temporary Redundancy MOU is also near completion, awaiting several associated policies to be aligned and agreed.

The Company have proposed to extend the suspension on boarding, the TU have made their position clear that the Boarding process reapplies from 1st Apr 2021 in line with the Covid Temporary agreement (MOU). We will continue discussions with the Company on how their proposal aligns with the unpaid leave and productivity & efficiency discussions for affected employees.

Until this recent bombshell, an unpaid leave proposal could have been considered palatable given the need to make important savings and recognising the proposal is a temporary measure. However despite the Company's communication, we are unable to support the plan until the boarding suspension issue is resolved.

In negotiations we have agreed a number of overarching principles;

- That this unpaid leave proposal is also applicable to Management including the Civil Aerospace/Central Function Leadership Team
- That any employee subject to reduced pay within any monthly pay period will be exempt from any further deductions within the same pay period, as a result of the unpaid leave proposal.
- That the savings from the 5/10-days unpaid leave (equating to 2%/4% annually) will form part of this year's 10% annual Productivity and efficiency savings.
- That the following categories are permanently exempted from the unpaid leave deductions; -
 - Employees on Maternity leave
 - Employees on reduced sick pay
 - Apprentices
 - Employees for whom a deduction would take their gross salary to within 10% of National Minimum Wage (NMW)
- That the following categories are also exempt from the unpaid leave deductions; -
 - Furlough
 - Temporary Reduced Hour Working

For each employee the company will calculate the total value of 5/10 days unpaid leave on individuals gross base salary on the 1st May 2021, for part-time employees this will be pro-rated, the total value will be divided into fixed monthly gross pay deductions over eight months from May 2021 to December 2021.

There will be no impact to any salary related allowances or benefits such as shift pay, pension, annual bonus, life insurance, etc. As these will continue to be calculated using gross base salary. Pension contributions will continue to accrue and will be payable on full unreduced pay, as will VS & CR payments.

We clearly stated (Newsletter #13) that any other future (non-furlough) changes that go beyond March 2021 (temporary or permanent) will require a ballot of the effected membership.

The intention is for the ballot to commence on 14th April and close on 28th April, with a ballot outcome confirmed no later than 30th April. Subject to a positive ballot result pay deductions would commence from May for those not covered by the exemptions detailed above.

We will put out another communication containing greater detail and clarification, plus a link to a list of FAQs (currently being collated) no later than week commencing 12th April. Which will also be including details on the ballot process and how you can vote on the proposal. This will be a National UK ballot of all affected civil aerospace & central functions members.

Those excluded from the national ballot are;

- Members from Hucknall Site and Derby Staff impacted by TUPE transfer
- Members represented by the Bristol Site Staff Bargaining Group (see local TU communications)

Thank you for your continued support.

Your National TU Group

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



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/>