

### Enough is Enough!

This is our 21<sup>st</sup> Newsletter and the most important to date, we have reached a significant crossroads in discussions with the Company. In our last newsletter we said we would provide more details regarding the 'Package' and any ballot if talks broke down.

#### 'Package' deal (Restructuring framework principles)

This contains principles on the following subjects

- UK Permanent Redundancy Arrangements – from 2022 onwards
- Future Sustainability and Growth
  - Productivity & Efficiency (excluding Defense Business)
  - New Starter Rates
  - Core Workforce Principles
  - Managed Services
- Trade Union Representation National Structure – see Newsletter #20
- 2021 Pay Review.

Within the 'Package' principles the Company insisted on including the following clause:

*'for the avoidance of doubt, it is therefore not possible to have agreement on one element without reaching agreement on the other(s), and no element will survive on its own.'*

**The Company believe that 'there is no requirement to call a ballot on the package deal as the terms are already collectively agreed.'** However, as we have previously stated any changes after the 31<sup>st</sup> March 2021 especially permanent changes to Terms and Conditions need to be balloted on.

The irony of this reimagined situation hasn't been lost – don't forget the Company wanted to rip up all our long-standing agreements at the start of the pandemic (which we challenged).

#### The 'Package' deal – 10% Productivity & Efficiency (P & E)

Contained within the 'Package' as identified above is the following P & E principle:

*'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 the plan for 10% improvement by the end of 2021. It is recognised the pace of implementation will vary by how the Productivity & Efficiency is achieved.'*

The Company continue to ignore the fact they have no agreement and just reiterated their willingness to engage with the TU provided they continue to make progress on the '10% Productivity & Efficiency. **However, they have now admitted that this is a '10% pay & benefits cut' which would be permanent,** but that is not what the clause above states.

The Company has attempted to connect the 10% Productivity & Efficiency issue with other discussions, during these discussions the Company even had the gall to question whether we were truly representing the views of the membership. Therefore, instead of continuing to prolong the debate, we informed the Company that we will seek **your** views directly via a 'National Consultative Ballot' on the whole 'package'. This has been agreed with all the convenors/chief negotiators from every bargaining group in the UK.

Please note if you vote to accept the 'Package' deal, you are essentially accepting the principle that the Company will be looking to permanently reduce your pay and benefits by up to 10%.

**All UK Bargaining Groups will be recommending rejection**

## **Costs**

Despite our continued requests since September 2020 for the Company to provide a breakdown of the £1.3bn savings required (including specific details of the UK contribution and associated job reductions), we have still not been provided with this information even though we know that over 5,500 UK employees have left Rolls-Royce.

At the same time as an enforced shutdown, the Company is intent on making 10% pay and benefit savings. We now find ourselves in the position that the Company have let too many people go and therefore now need to recruit - reintroducing further costs to the Company when some sites are still having to lose people through redundancy.

The Company have still not come clean about the number of vacancies within the UK, a mixture of permanent and contractors. Whilst they have the ridiculous situation of the lost productivity as a result of the enforced shutdown, with many parts of the business saying they cannot afford to shut down for the two weeks, leading to the increasing number of requests for exceptions to defer or postpone the unpaid leave in some areas owing to customer requirements.

Whilst on the issue of costs and recruitment, you may have seen that one of our latest new starters is reported to be receiving an increase of 25% on their predecessor.

In a previous communication the Company stated it needed the savings to repay its credit card bill, however the cuts it wishes to make to your terms and conditions are permanent and will remain long after the credit card has been paid off.

The Company also goes to great lengths to state they are a global company - 2/3rds of our employees are now employed outside of the UK - however, when it comes to paying the bills the burden once again falls mainly on UK employees. Let's not forget here in the UK we have already:

- Borne the brunt of the redundancies
- Seen a temporary suspension of several arrangements to assist RR's cashflow
- Agreed temporary reduced redundancy terms
- Seen closure of the RR UK Pension Fund, saving the Company over £50m annually
- Agreed a 5/10-day shutdown in some businesses - equal to a 2%/4% reduction in pay for 2021.
- Forgone a pay rise in 2021 (permanent impact)

Despite having no agreement on the P & E (10%), the Company has unilaterally made decisions without any consultations to Bonuses, Boardings and Hybrid working as part of the 10% P & E cuts. This is just a continuation of the arrogance and opportunism shown by the Company since the start of the pandemic by failing to carry out consultation, negotiation, and agreement to change Terms and Conditions.

## **Ethics**

As previously communicated, the National TU Group have been subjected to ethics complaints emanating from these newsletters, which prompted us to raise a grievance. The issue is far from over and is now in the hands of the Unite Legal team.

Please be aware there may be several difficult matters that we will need to update you all on in the future. To prevent further ethics complaints, claiming we are 'management bashing' or anti-Company – let us state, we are not. We are simply setting out the facts as we see them.

Please also remember these newsletters are intended for Works and Staff members of the TU.

A future newsletter will give details and timetable of the ballot and the full contents of the 'Package'.

Thank you for your continued support.

### **TU National Negotiating Group**

|               |              |
|---------------|--------------|
| Steve Hibbert | Ian Wilson   |
| Mahf Khan     | Mark Porter  |
| Stuart Hedley | Paul Longley |
| Lee Purslow   | Gary Andrews |
| 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/>

