



Time to have your say!

Since Newsletter #21 there have been no meetings with, or contact between, the temporary National TU Group and the Company with respect to the 'Package'. Instead, in response to our newsletter, the Company chose to issue briefing packs to Managers and send an email to all Employees in Civil. In that email, they claim our last newsletter created anxiety and confusion and that your Manager will help you out with the facts. This is of course their prerogative. We prefer to set out the facts in writing, so they are transparent to all Members.

In our opinion it is the Company that continues to ensure confusion exists through misleading claims, that the package deal has been agreed and they are *'dismayed and bemused by [our] response'*.

We know some of you are equally bemused and angered by the comments from our CEO that emerged last week that *'our workforce is too old'*. For information, the average age of the Rolls-Royce board is 62.

However, let us address some of their key points sent to some of you:

- *'The package deal has been agreed with Unite'*

It has not. They do not have a national agreement on the 'package' deal. What they do have is a record of discussions that were held. **There is no signed 'Package' agreement.** At the risk of repeating ourselves – our position has always been that any temporary or permanent changes to terms and conditions after the 31st March 2021 would need to be balloted on. This has been clearly communicated in almost every newsletter since July 2020.

- *'The Company has delivered on its commitments under that deal'*

We acknowledge thus far the Company have delivered on their commitment of no further job reductions affecting Ansty, Barnoldswick and Inchinnan (the 3 sites with signed MOU's). However, at the same time other commitments have not been so forthcoming and to date no new technologies associated with the Company's commitment to the 'net zero' strategy have been discussed in detail, or appear to benefit job creation or protection for the 3 sites in accordance with the provisions within their MOU's.

The Company for their part has failed to register and acknowledge what we and you have delivered during this time as identified in Newsletter #21:

- 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)
- *'The deal included agreement in principle on reducing our labour costs, whilst preserving base pay'*

We invite the Company to clarify to you their definition of 'preserving base pay'

- *'We are now trying to engage with Unite on their commitment to agree ways of reducing labour costs to make the business sustainable'*

Since the Company's response to our last newsletter, to date no meeting requests on this subject have been received.

- *'There is no proposal yet to change terms and conditions and so there is nothing to ballot over'*

The package deal contains the following '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 the UK sites, with the aim of achieving the plan for 10% improvement by the end of 2021. It is recognized the pace of implementation will vary by how the Productivity and Efficiency is achieved"

The company state *'there is no proposal to change T's and C's'* yet!

However, in discussions on the Terms of Reference (TOR) for the 10% P & E savings principle above, they presented the following points:

- New starter pay structure (*to be in place for 2022)
- Shift patterns, notice, protection and premiums
- All-inclusive elements for additional hours moving to a different approach on surge requirements
- Creating a standard approach to base pay
- Sick pay
- Working hours and holidays
- Annual pay reviews

In addition, the Company have also communicated *"We are not in conversation on a "10% pay cut". But we do need to reduce our cost base and find the equivalent savings in Pay & Benefit spend and we know our variable elements of pay need to be cost competitive"*

You will see the glaring contradictions in the Company's communications, no wonder there is confusion, but it is blindingly obvious to all of us what the real intent is. This is why we are balloting you on the facts of what is meant by 10% Productivity and Efficiency (P&E) improvements within the 'Package' deal.

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%.

Additional information

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 and negotiation, in our opinion these are unethical behaviours the Company are demonstrating. Are these the 'New ways of Working' we have been constantly been told about in Company communications?

Despite there being no references to pensions within the package deal, they have now stated that some of the potential contingent benefits that the Pensions CNC have been negotiating are now dependent on acceptance of the package deal. Again, we see another contradiction in Company communications they stated to a Pensions Central Negotiating Committee Subgroup that share of fund beyond 31st December 2024 was on condition of progressing the package deal.

However, within their Pensions communication to some of you they state that it has been agreed between the Company and Trustees that 'at this time of writing we anticipate that this option will continue for a further 3 years until 31st December 2027, but we can't guarantee that now. An extension will be considered during the second half of 2023 at the next formal 3-year funding valuation'. Now, even we are confused.

The package

Full details of the full draft 'Package' MOU will be distributed separately before you ballot.

Defence Members will receive an additional Newsletter from their Senior TU Representatives explaining the relevance of the Ballot.

Ballot timetable

The ballot will be a postal ballot sent to your home address by Unite with a pre paid return envelope. The ballot will open on 30th June, ballot papers will need to be returned by the 20th July, ballot papers will be counted, and the result declared on the 21st July 2021

National TU Ballot On 'The Package'	
The TU recommends <u>rejection</u> of the package deal. Do you?	
Accept	<input type="checkbox"/>
Reject	<input checked="" type="checkbox"/>

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

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/>

