



**Fighting for UK Jobs (Again)**  
20<sup>th</sup> July 2020

**1 Update**

Unlike the Company, the TU negotiation team do not have dedicated resources to assist us in our communications. We have to juggle writing our newsletters whilst facing off across several fronts with the company, alongside our usual tasks. This often takes place late into the evening or over the weekend. We're not saying this to gain your sympathy but trying to demonstrate our unquestionable commitment.

It's therefore disappointing that throughout this issue our Company's senior 'leaders' haven't bothered to participate in discussions. We can only presume they are using the time to brainstorm their blue-sky thinking communications.

What a shame most of them don't bear any resemblance to workplace reality.

Several Company communications have been issued over the last few weeks and finally, the Company accounts for 2019 have been published.

We previously reported the company could have saved around £100m by not paying the 2019 bonuses, but it's clear they would rather attack your money. Further reading of the 'Group of companies accounts' may be found at <https://beta.companieshouse.gov.uk/company/01003142/filing-history> which includes the bonuses paid to Warren East and Steven Daintith (on page 145), who received an eye-watering £1.79m in shares between them.

Harry Holt's communication on the 8<sup>th</sup> July described how the Company is living up to its 'Care Promise'. Many of you, including the national TU team, know a very different reality. He is either completely unaware of the truth or has been misled by his team.

But fear not! They've told you:

- We will weather this storm together and you will always be part of the Rolls-Royce family
- The dignity and respect with which we treat everyone, especially those leaving our company, will define the company we want to be in the future.

So that's alright then.

In turn, we make this promise - we will never forget how they have treated the workforce during this pandemic.

## 2 Headcount Reductions

On the 14<sup>th</sup> July, over 1,800 colleagues started to voluntarily leave the Company. In many cases, none of us have had the time to bid farewell to our friends and colleagues. We thank them for their loyalty and service, reducing the need for compulsory redundancies and wish them all well for the future

The Company's original timescales were both unrealistic and unnecessary. We successfully challenged them and obtained an extension, which proved extremely worthwhile - during this extension the Company received a further 290 VS applications!

Getting to this point has not been easy. The company originally served notice on our current redundancy terms and threatened they would impose paying the legal, statutory minimum payments with the legal, statutory minimum notice periods – giving them freedom to control who got the sack. Without asking for volunteers first.

They now laughingly claim they are *“providing above industry and in country standards for our severance terms, ensuring that if you leave, you do so with a good package to minimise the financial impact”* out of the goodness of their hearts.

We will let you judge how this came about (hint – it wasn't the Company).

Irrespective of the progress made in identifying volunteers, the very next day (15<sup>th</sup> July) the company literally couldn't wait to issue the S188 redundancy notices as outlined in the communication from Simon Burr and Simon Carlisle to Civil Aero employees.

This communication stated that a compulsory reduction of 1,446 would be a “worst case scenario”. As they have yet to complete the VS program (some applications are still awaiting a decision), along with not fully exploring all mitigation options across the business, they have obviously guessed what the final compulsory figures will be.

You now have the ridiculous situation where management are assessing employees against compulsory redundancy criteria, whilst some colleagues haven't even been told if they can leave on VS.

See Appendix 1 for the compulsory redundancy numbers and timescales.

We have reminded the Company that they have an obligation to continue to promote and pursue VS during the compulsory programme. Will they take any notice?

It's a pity the Company does not adhere to the values and behaviours it constantly preaches. In their minds, this has always been about 'pace' and hitting the half-year results. Which, coincidentally, they are delaying until the end of August to take account of all the Phase 1 Redundancies, forecasted savings of Phase 2 and associated cost savings of the 'The Package'.

We believe that is to create the illusion of a board in control.

### **3 Strategy Meeting**

We agreed that we would enter into discussions on the Company's Strategic Review of the Rolls-Royce UK Pension Fund (RRUKPF) provided that in return they initiate 'meaningful' consultation of Phase 2 restructuring proposals. The definition of meaningful is not just to present information about a decision that has already made. If the company have made their decisions, then we are on a collision course.

A meeting was held on 22<sup>nd</sup> June, but the content that they presented was poor and patronising. We didn't learn anything new. A further meeting had been arranged for Friday 17<sup>th</sup> July but was unexpectedly cancelled.

Therefore, as promised, until this is rearranged, we will not enter discussions on pensions.

### **4 Company Package**

As outlined in our last newsletter, the Company wanted to discuss a package of changes alongside redundancy terms, some of which will apply to all areas of the business whilst others will not.

You would be entirely correct in thinking this is an opportunistic attack by the Company.

We have agreed the topics of the package in principle, but a lot of detailed negotiation will still need to be undertaken and further details will be provided when available.

Any package that includes a permanent change to terms and conditions will require a ballot of affected Union members by March 2021.

As with the redundancy terms the outcomes listed in the appendices is a very long way from the original position of our 'caring' Company.

We have made several difficult decisions to help ensure we all have a Company going forward.

Please refer to the following attached appendices:

2. Temporary Voluntary Severance & Compulsory Terms during COVID & Restructuring Redundancy Programme
3. Furlough Phase 3 & Related Topics
4. Restructuring Framework Principles
5. Redundancy Agreement from 2022

### **5 Failure to Agree (FTA) Update**

The FTA was delayed several times – some by the Company in order to delay proceedings, others by mutual agreement. As all terms of the original FTA have now been resolved, the FTA was withdrawn on 14<sup>th</sup> July.

You may remember that during the original FTA meeting the Company stated they do not trust us.

So, imagine our anger just two days after the FTA was withdrawn when we discover the Company has blatantly and arrogantly attacked TU representatives and their constitutional rights in Inchinnan Compressors. We addressed this immediately and informed the company that this would put 'the package' at risk.

Despite what they might like to portray, we are not 'working together' and refuse to have joint communications. The relationship between the TU and the Company is extremely fragile and could shatter at any time. And there is still a long way to go...

## **6 Apprentices**

We will provide a more comprehensive report on apprentices for our next newsletter, as a current review is still ongoing of getting apprentices and their assessors back into the workplace. We will also need to address shift pattern arrangements and future intakes.

## **7 Health & Safety**

Although discussions with the Company are clearly important, everyone is reminded that the threat of COVID-19 has not gone away. Everyone must continue to work safely and remain vigilant. Please also look after your own wellbeing as much as possible.

If there are any unsafe practices taking place, or you are unsure, please contact your local workplace representative.

Stay strong and remember the only source of fact and truth is via these newsletters.

All our communications can be seen using the following Link:



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

Thank you for your continued support.

Steve Hibbert  
Tam Mitchell  
Ian Bestwick  
Mahf Khan

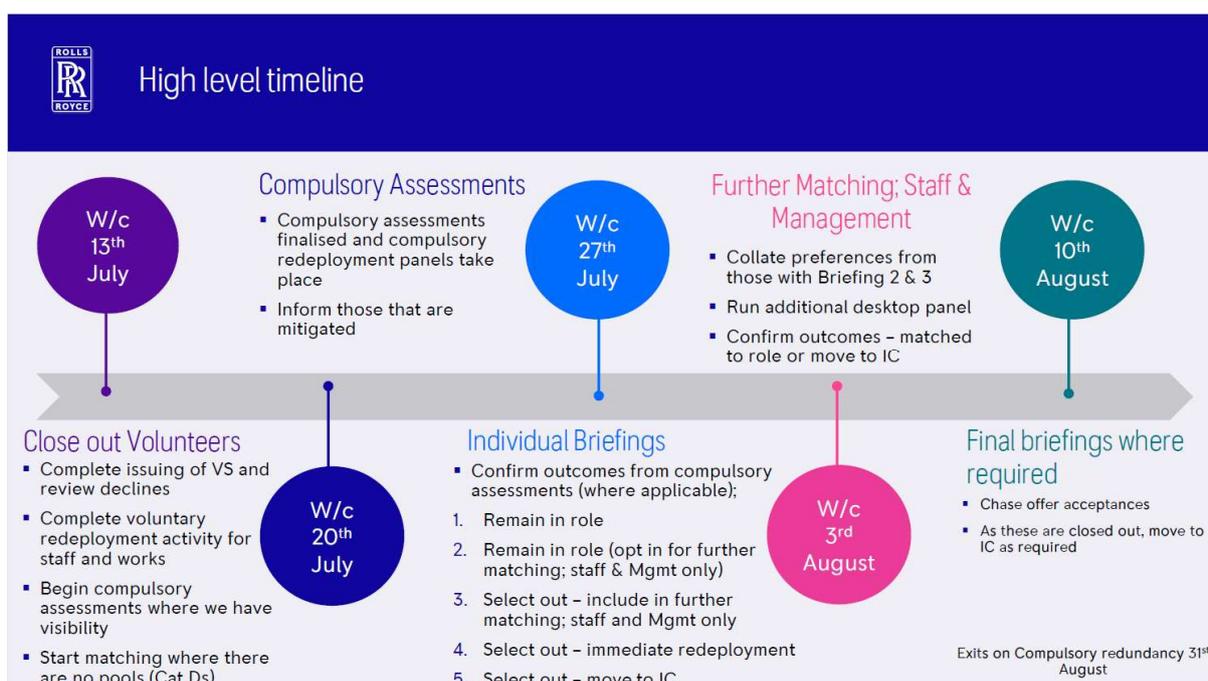
Ian Wilson  
Mark Porter  
Steve Jones  
Stuart Hedley

## Appendix 1

Level	Impact (3 <sup>rd</sup> June)		Mitigated		S188 (15 <sup>th</sup> July)			
Senior Manager	73		15		58 (11 A, 47 B)			
Manager	251.3		114.5		136.8			
Staff	751.5		302.3		449.2			
Works	1880.9		1078.8		802.1			
Graduate	13		13		0			
<b>Total</b>	<b>2969.7</b>		<b>1523.6</b>		<b>1446.1</b>			

	Directs		Engineering		Indirects		Totals	
	3/6	15/7	3/6	15/7	3/6	15/7	3/6	15/7
Ansty	53	18	8	2	4	3	65	23
Barnoldswick	206	106	16	11	13	2	235	119
Bristol	33	0	9	4	4	3	46	7
Denby/Trentham	80	80	10	8	3	2	93	90
Derby, Hucknall, Annesley	708	169.2	385.8	207	287.6	138.3	1381.4	514.5
Inchinnan	580.9	361.9	51.8	49.8	67.9	53.9	700.6	465.6
London Heathrow	49	41		2	4	3	53	46
Rotherham	99	0	3	3	3	2	105	5
Solihull	26	26	125	119	25.7	17	176.7	162
Washington	46	0	7	5	1	0	54	5
Various - multiple Sites					60	9	60	9
<b>Grand Total</b>	<b>1880.9</b>	<b>802.1</b>	<b>615.6*</b>	<b>410.8*</b>	<b>473.2</b>	<b>233.2</b>	<b>2969.7</b>	<b>1446.1</b>



## Appendix 2

<b>Temporary Voluntary Severance &amp; Compulsory Terms COVID &amp; Restructuring Redundancy Programme - to be applied between July 2020 - December 2021</b>		
This also applies to UK sites that have started consultation on reductions or run down within the timeframe above and will extend beyond 2021		
<b>Voluntary Severance</b>		
<b>National</b>	<b>Controls Solihull</b>	<b>Ross Ceramics</b>
<p><b>Terms</b> Weekly Cap £743, Statutory multiplier x2 2.5% Uplift</p> <p>Holiday pay to date of leaving 45 Days min consultation period</p> <p><b>Part-Time</b> Existing Payment Calculation used</p> <p><b>Relocation Payment</b> £5000 one-year claw back</p> <p><b>Voluntary Pooling &amp; Mitigation Process</b> Final documentation to be concluded</p>	<p><b>Terms</b> Controls existing terms plus £6000 uplift</p> <p><b>Voluntary Pooling &amp; Mitigation Process</b> Final documentation to be concluded</p>	<p><b>Terms</b> Negotiations not concluded</p>
<b>Compulsory Redundancy</b>		
<b>National</b>	<b>Controls Solihull</b>	<b>Ross Ceramics</b>
<p><b>Terms</b> Weekly Cap £743 Statutory multiplier x 2 Holiday pay to date of leaving</p> <p><b>Part-Time</b> Rate Payment Calculation discussions not concluded waiting legal review</p> <p><b>Relocation Payment</b> £5000 one-year claw back</p> <p><b>Run-Down Payments</b> Minimum of £5K. Monthly payment of £250, capped at 2 years.</p> <p><b>Redundancy Agreement</b> Final documentation to be concluded 45 Days min consultation period</p> <p><b>Compulsory Pooling &amp; Mitigation Process</b> Final documentation to be concluded</p> <p><b>Selection Criteria</b> Derby Work/Staff criteria nationally up until point of concluding legal review. New criteria to be agreed if required following legal review.</p>	<p><b>Terms (Phase 1)</b> Control Terms plus £6000 uplift</p> <p><b>Terms (Phase 2)</b> National Terms Apply</p> <p><b>Relocation Payment</b> £5000 one-year claw back</p> <p><b>Redundancy Agreement</b> Final documentation to be concluded 45 Days min consultation period</p> <p><b>Compulsory Pooling &amp; Mitigation Process</b> Final documentation to be concluded</p> <p><b>Selection Criteria</b> Derby Work/Staff criteria nationally up until point of concluding legal review. New criteria to be agreed if required following legal review.</p>	<p><b>Terms</b> Negotiations not concluded</p>

## Appendix 3

<b>Furlough Phase 3 &amp; Related Topics</b>
<b>Phase 2 Furlough</b> <ul style="list-style-type: none"><li>• Extended to end of July - 80% Base/AIR/Shifts</li><li>• Pension Payments on Normal Salary</li><li>• Redundancy/Retirement on Normal Salary</li><li>• Minimum period 3 weeks</li><li>• No individuals pay will fall below what the Company claims back from the Government</li></ul>
<b>Phase 3 Furlough</b> <ul style="list-style-type: none"><li>• Applies from August to end October - 70% Base/AIR/Shifts</li><li>• Pensions Payments on Normal Salary</li><li>• Redundancy/Retirement on Normal Salary</li><li>• Minimum period to be agreed</li><li>• No individuals pay will fall below what the Company claims back from the Government</li><li>• Treatment of Holidays still under discussions</li></ul>
<b>Shift Changes</b> <ul style="list-style-type: none"><li>• From 20<sup>th</sup> July Shift Change Notice/Protection – 4 weeks until end of October</li><li>• Local Triggers to be agreed <i>Excludes Defence</i></li></ul>
<b>Reduced Hours</b> <ul style="list-style-type: none"><li>• Current temporary terms to remain; 10% reduction in pay and 10% pay deferral for a 20% reduction in hours</li></ul>
<b>Wind Down</b> <ul style="list-style-type: none"><li>• Agreed - no further wind-down applications until 1 January 2022 <i>Excludes Defence</i></li></ul>
<b>Flexible Working Requests</b> <ul style="list-style-type: none"><li>• Company Policy under discussions to provide fair access by operational/shift workers</li></ul>
<b>Temporary Collective MOU</b> <ul style="list-style-type: none"><li>• To cover all associated temporary terms and conditions changes made related to Deferment, Furlough &amp; Reduced Hours without requirement to ballot</li><li>• Expires March 2021, 1 months' notice by either party to rescind</li><li>• Temporary changes will cease by either end October 2020, December 2020 &amp; March 2021 as appropriate, no temporary changes will be extended beyond March 2021 without a ballot of the membership.</li></ul>

## Appendix 4

<p style="text-align: center;"><b>Restructuring Framework Principles</b></p> <p>Any permanent changes that affect Pay, Pensions or related Terms and Conditions will require a consultative ballot of the affected membership (March 2021).</p>
<p><b>Pensions</b></p> <p>Trade Union committed to enter pension discussions, consultation and negotiations on the Company Strategic Review of the Rolls-Royce UK Pension Fund (RRUKPF).</p> <p>Trade union have made it very clear this will only happen when the company have engaged in proper consultations with the National Committee on Phase 2 of the Company Restructuring Programme.</p>
<p><b>Trade Union Representative Structure</b></p> <p>Both parties committed into entering discussions on a permanent representative structure including scope and numbers of representatives to reflect the resized organisation by September 2020.</p> <p>Structure must comply with CSEU National Governance &amp; Legal Consultation Framework (UK &amp; EW Councils).</p> <p>Note: we are still awaiting company proposals and Phase 2 of the Company Restructuring Programme.</p>
<p><b>Productivity &amp; Efficiency</b></p> <p>The Trade Union are committed to entering 'open minded' discussions to make progress on closing the ongoing productivity and efficiency gaps with an aim to achieve a 10% improvement by the end of 2021. <i>Excludes Defence</i></p>
<p><b>New Starter Rates</b></p> <p>The TU committed to commence new starter rate discussions to fit within existing pay structures in 2020, rates to be agreed by end of 2020 to apply for 2022. <i>Excludes Defence</i></p>
<p><b>2021 Pay Award</b></p> <p>Agreement that no anniversary pay increase will apply in March 2021. <i>Excludes Defence</i></p>
<p><b>Core Workforce Principles</b></p> <p>Both parties committed to agree further discussions required to agree core workforce principles and managed services controls to account for future fluctuations in load and protect core workforce employment in down turns.</p> <p>Discussions are centred around; a core workforce of 80% permanent employees and 20% non-permanent employees (Agency &amp; certain types of Managed Services) &amp; Managed Services MOU.</p>

**Appendix 5**

<b>Redundancy Agreement from 2022</b>		
<b>National</b>	<b>Controls Solihull</b>	<b>Ross Ceramics</b>
<p><b>Terms</b> Statutory redundancy calculation and weekly pay cap.</p> <p>Enhancement: 1 weeks' pay uncapped per YOS up to 19 weeks' pay</p> <p>Weekly pay calculations will include shift (12-week average as per current)</p> <p>Holiday pay to date of leaving</p> <p><b>Part-Time</b> Rate Payment Calculation discussions not concluded waiting legal review</p> <p><b>Voluntary Severance Incentive</b> £5000</p> <p><b>Minimum Redundancy Payment</b> £4000</p> <p><b>Relocation Payment</b> £5000 one-year claw back</p> <p><b>Run-Down Payments</b> Minimum of £5K. Monthly payment of £250, capped at 2 years</p> <p><b>Redundancy Agreement</b> Final documentation to be concluded</p> <p>65 days for Compulsory Redundancies, first 30/45 days VS programme</p> <p><b>Voluntary &amp; Compulsory Pooling &amp; Mitigation Process</b> Final documentation to be concluded</p> <p><b>Selection Criteria</b> Derby Works/Staff criteria nationally up until point of concluding legal review.</p> <p>New criteria to be agreed if required following legal review</p>	<p>National Terms Apply</p>	<p>Ross Ceramics will be included in Redundancy MOU process 2022.</p> <p>Commitment by the Company to work towards inclusion on National Terms.</p>