# Rolls Royce Noticeboard

Last update: **3 Oct 2021**

## Lastest Update

### Rolls Royce Update

**Posted on: 3 October 2021**

**Works and Staff Boardings (where applicable)**

**Boardings**

In Newsletter #18 we informed you that '*The Company have unilaterally decided to continue the suspension of the boarding process. This was a sudden and surprising change given that a date for reinstatement had already been agreed.*'

In mid-August the Staff National Bargaining Group (SNBG) asked the Company for an update as no proposal to resume boardings or deal with the backlog had been shared with the Group. Despite having preliminary discussions, the Company only presented **their** proposal to modify our collectively negotiated, agreed, and balloted upon boarding process in early September. Furthermore, Inchinnan and Solihull were only engaged in discussions in late-September, whilst, no approach at all has been made to either EOS or Rotherham.

The Company's proposal was not acceptable to the SNBG group, who made a counter proposal in mid-September which would restart the process immediately using our existing agreements along with a fair and transparent method to sequence the backlog over a period of 9 months and deliver a consistent backdated remuneration for all in line with the collective agreements.

The current boarding process already has criteria that must be met for a boarding to proceed, the criteria includes an assessment by your local Manager as to whether they need you to be working at the next level. This was agreed in 2013 (for SNBG) and was based on the previous boarding agreements.

Whilst initially presenting a process that included additional selection criteria to assess financial viability, retention risk and behaviours, the Company agree with our position that they should simplify their approach in order to deal with the backlog.

However, in subsequent meetings they argued that they could not utilise our negotiated agreements as it may result in promoting people they do not need or wish to board, instead they wanted to **implement an unfair proposal** that included extra layers of approval from HR and the Functions (no longer just your Manager), giving them more control over who they choose to be boarded and who they reject irrespective of how much work people had already done.

It is unacceptable to the Trade Union that we will have people who have been doing the work at the next level, been supported by their Manager and in some cases already put the pack together, who will be prevented from boarding due to these added layers of approval. **In a nutshell this would mean that some of you would not be boarded if we agreed with the Company's approach.**

These unacceptable proposed added layers of approval would also seek to assess the skills/capabilities required in the Function against current and future workload. They would use this to determine the numbers they would accept at each grade, again resulting in some of you being prevented from receiving the boarding and associated pay for the work you have already been doing.

The narrative from the Company has evolved over the last 5 years, during transformation in 2018/9 they claimed that we needed to stop doing work that we could not afford to do, now they appear to being saying they are not willing to pay all of you for all the work you are doing, but instead select who will be remunerated through their modified boarding proposal.

At the end of the negotiations the company told us that they are going to continue with their proposal without an agreement. This is not acceptable to the TU as this will breach the SNBG and other agreements. It is also not a fair process and doesn't guarantee that everyone will get a boarding, as previously explained this is subject to functional and HR approval if affordable to the business. **This proposal also puts a split in the SNBG as the proposal is for Civil and Central Functions (GBS etc) whilst Defence will be continuing with the current process (<u>for now</u>).**

We made it clear that these were not acceptable. We have a process which has worked well for nearly ten years so why change something that isn't broken?

It is disappointing that the company is still adamant on attacking the Staff and trying at any opportunity to work towards a 10% pay reduction despite having a clear message from you in the consultative ballot run earlier this year that we will not tolerate an attack on our T&C's.

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So, we have been left with no alternative but to put in a formal Failure to Agree (FTA), we realise this may further delay some of you boarding, however we hope you agree that defending our agreements and protecting your future pay is a priority.

**Astoundingly the Company fails to accept that we have a legitimate right to defend our Negotiated Agreements and also refuses to engage to resolve the position through valid dispute resolution procedures, They have refused to accept the FTA presented to them on Friday 1st October and the principle that until resolved the 'Status Quo' should be maintained.**

We will now seek our own legal advice and agree our next steps, as always, we will keep you informed and updated.

**Let us be clear, we know this does not affect all of us at this time, but if the Company succeed in this opportunistic change to our agreements, what will come next?**

**Holidays, Sickness, Shifts or Additional hour payments, one of these will impact us all.**

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

Thank you for your continued support.

TU National Negotiating group.

## 2021 Bulletins

### Fighting For UK Jobs (Again)

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**Posted on: 30 September 2021**

**National Negotiating Update**

On the 27th August 2021 (Newletter#25) we provided an update on the ongoing situation at Barnoldswick and following the result of the 10% pay cut ballot we informed you that we had made an offer to Seniors of the Company to hold some 'clear the air' talks.

Despite our offer of talks and an exchange of emails no discussions have taken place and no meetings are currently scheduled, we will of course keep you all updated on any progress.

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**Barnoldswick**

Over the last 4 weeks there has been some extensive discussions with the Company to try and resolve the current issues between the Company and the Union in relation to the MOU that was signed in January. Despite the initial positive signs from these discussions, so far, we have been unable to reach agreement with the Company. It is hoped that further discussions will take place this week to try and resolve the remaining issues avoiding the need for any further escalation, which everyone hopes to avoid.

Sharon Graham, the new General Secretary of Unite has shared her support and Solidarity with Members at Barnoldswick and throughout the UK with an offer of her personal assistance if necessary. The National TU Group reiterate our commitment to support colleagues in Barnoldswick through these difficult times to a satisfactory resolution.

**Business Outlook**

As previously reported (Newsletter #25) the half year results had been published which showed positive signals and progress in right direction. Since 5th August 2021 there have been a series of announcements which continue to demonstrate that we are well on the way to recovery. The Company are also well set to meeting their disposal targets, with the following

- Civil Nuclear Instro Controls for an undisclosed fee (previously announced Dec 2020)
- Sale of Bergen Engines for $131m
- Sale of their stake in Air Tanker Holdings for circa £189m
- Sale of ITP for €1.7bn

Additionally, within the last week, the Company continues to win significant new business with the following announcements

- B52 re-engine worth $2.6bn
- New UK/US/Australia submarine project
- Speculation of 16 Small Modular Reactors for the UK Government

Furthermore, we have seen the reopening of international air space and transatlantic routes which will deliver an increase in our engine flying hours. All these factors are already resulting in an increasing investor confidence and will assist the company in it’s objective in returning to investment grade status.

GMB UNION

We therefore believe the announcements above serve to reinforce your sentiments in the ballot that you are all not prepared to settle for any cuts to your pay, and contradicts the Company narrative that it will have no money to invest in it's future unless the UK workforce pays for it.

**Pensions**

Further discussions on DC and DB Pensions have been delayed pending progress on the P & E debate, The Pensions CNC will update you in the coming weeks via a CNC Newsletter.

**Workload**

As we enter Q4 it appears that for the majority of our Facilities the workload demand is outstripping the available headcount. This is evident by the significant number of requests that are being discussed to work overtime and additional hours at many Facilities across the UK.

It is quite clear that the 2 week unpaid shutdown has had a significant impact on the Company's ability to deliver output which was compounded in some cases by other parts of the Company not closing down which in turn has created delivery arrears.

In addition, there are now hundreds of vacancies within the civil business a little over 12 months after many were let go with the Company paying voluntary severance to release people. As previously reported the Trade Union constantly requested the Company to maximise the use of the 'Corona virus Job Retention Scheme' (Furlough). An indication that the Company have cut too deep is their attempts to recruit across the following sites

- Ansty – recruit of full time M/E's and contractors
- Bristol – ongoing recruitment of Works, Staff and Contractors
- Derby – recruitment of over 300 Works, Staff and Contractor
- Inchinnan – engagement of more Contractors
- Rotherham – recruitment of Engineers and Technicians
- Solihull – recruitment of Engineers and Contractors
- Washington – recruit of 49 full time employees and 29 contractors (having released 56 employees in 2020)

Even in Barnoldswick, the Company want to have discussions about contractor support in certain areas.

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**Heathrow**

Whilst many of our Facilities are overrun with work across both works and staff it is clear the ongoing struggle to protect UK jobs will continue. The Company are in the final stages of offloading the Heathrow operations to a 3rd party supplier (Haco) which will once again see more of our colleagues TUPE'd to another employer (like Hucknell to ITP earlier this year).

There was also the recent announcement by the company that it had signed an agreement with Hindustan Aeronautics Limited (HAL) to make Adour engine parts in India. This also comes amidst speculation around the repurposing of the SATU facility in Singapore which the company claimed to have shut down last year. This of course comes on the back of the recently reported $600 million dollar investment in Indianapolis. We will continue to challenge the offshoring of UK jobs and secure investment in our UK facilities.

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

Thank you for your continued support

**Your National TU Negotiating team**

## Noticeboard Bulletin - 27-08-2021

**Posted on: 27 August 2021**

**Fighting for UK Jobs (Again)**

**National Negotiating Update**

On 21st July, we informed you (Newsletter #24) of the result of the National postal ballot on 'the package', in which 99% voted to reject the principle of taking a permanent 10% pay cut. We also expressed our support for our colleagues in Barnoldswick in their struggle to ensure the Company adhered to the signed Memorandum of Understanding (MoU) that was agreed at the beginning of this year.
Since the result was announced there has been no further discussions with the Company regarding the package deal or any other any other national matters. However, strengthened by the emphatic result, we have recently contacted the Company and have offered to hold some 'clear the air' talks at a senior level. We will update you further on those talks as and when there is something to report.

**Barnoldswick**

We have consistently expressed **national solidarity and support** for our colleagues in Barnoldswick who were forced to take further industrial action to defend the nationally agreed MoU. An additional ballot of the entire workforce (both Works and Staff) returned a significant majority in support of taking further industrial action if required. Once again, in the spirit of trying to resolve the dispute, the TU have reached out to the Company with an offer of further talks and in return the TU have delayed giving notice of added industrial action.

**Company Mid-Year Results**

Most of you will have seen the Company's interim results which were released on the 5th August. This was accompanied with messages from our CEO and new Financial Director in which they declare Rolls-Royce has a great future ahead (which we know includes Small Modular Reactors and Electrification as part of its journey to 'Net Zero').

The Company wrote to you all in an attempt to influence the ballot, with the message that they now had to 'repay their credit card bill'. However, looking a bit more closely at the recent results we can see the Company returned to profit of over £1bn, a strong liquidity of £7.5bn, a continued improving outlook and the Company declaring that 8000 people have left the business. Other highlights include:

• Gross profit £1,097bn

• Improvement in free cash outflow £1.7bn

• Restructuring savings £1bn by end of 2021

• Disposals on track for at least £2bn

• No debt repayment before 2024

• Free cash flow target £750m (on track in 2022 providing engine flying hours reach 80% of 2019 levels).

The Company may cite a lack of immediate cash flow is hindering its ability to invest in the future and capitalise on the opportunities open to it. They may also expect you to pay for this investment in the future.

Whilst we understand the challenges the Company has faced; the results are very encouraging, and the Company is well on track to rebuilding its balance sheet. It is worth remembering the part you have all already played, including:

• Civil Aerospace and Central Functions - unpaid leave for 2021 (equal to up to 4% reduction in pay)

• No pay rise in 2021 (whilst the median pay rise for the last 3 months across the UK is 2.2% and the RPI rate was 3.8% in July)

• Reduced severance pay arrangements and over 5000 fewer UK Jobs.

• Early closure of the DB pension (providing the Company with annual savings of over £50m)

**In Conclusion**

Whilst we here in the UK have borne the brunt of the job losses and cuts, the Company continue to make investments and announcement within the supply chain and other parts of the global organisation (the latest of which is the completion of the $600 million transformation of the Indianapolis campus).

18 months ago, we understood the immediate need to protect against further job cuts. We have played a significant part in maintaining stability by absorbing substantial financial impact and we remain open to discussions on productivity and efficiency. However, we must continue to **defend our Members terms and conditions and protect UK Manufacturing Jobs.**

Thank you for your continued support.

## Noticeboard Bulletin - 21-07-2021

**Posted on: 21 July 2021**

**Fighting for UK Jobs (Again)**

**Thank you for supporting your Union!**

Dear GMB member,

For those of you potentially affected and who participated in the recent ballot over terms and conditions, please see below aggregated joint trade union ballot results sent out from the National Negotiating Committee. For those members not affected, this is by way of an information update.

View ballot results

Thank you for your continued support.

**Ross Murdoch** *GMB National Office*

## Time To Have Your Say!

**Posted on: 29 June 2021**

In Newsletter #22 we informed you all that we would be sending out the draft 'Package' Memorandum of Understanding (MOU) before you are asked to vote, you will find this record of our discussions attached as Appendix 1.

Appendix 1 (pdf)

As previously stated, the Company have said *'There is no proposal yet to change terms and conditions and so there is nothing to ballot over'*

However, we have been consistent that any changes after 31st March 2021 to Terms and Conditions, temporary or permanent need a ballot of all the affected membership, therefore, it is time for you all to have your say on the 'Package' deal.

Once again you will see from Appendix 1, 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"*

In Newsletter #22 we also informed you about the Terms of Reference (TOR) for the 10% P & E savings principle above, as part of which the Company 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

(A Newsletter highlighting the elements that affect the Defence Business has been issued separately)

**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%.**

**Ballot timetable**

You will receive a ballot paper either from your GMB Representative, electronically or sent to your home address 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
*(Sample ballot paper only below)*

**National TU Ballot On 'The Package'**

The TU recommends **rejection** of the package deal. Do you?

____ Accept

____ Reject

If you have not received a ballot paper by the 5th July: This will be a National UK ballot of all represented Works and Staff members.
GMB members email ian.hodgkison@rolls-royce.com or ring 01332 795 777

Please provide your name, membership number and a contact phone number, you may also need to confirm your address, please copy your local Union Rep or your RR Union Office in the email.

If you don't have your membership number, you will need to provide your address and Date of Birth to confirm your identity and membership.

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**

## Noticeboard Bulletin - 24-06-2021

**Posted on: 24 June 2021**

**Time to have a say!**

Dear GMB Member,

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 to 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 the Trade Unions' - 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 the Trade Unions 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 if 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**

We are currently finalising arrangements for details of the full draft ‘Package’ MOU to be distributed separately before you ballot.

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It is also likely that Defence Members will receive an additional Newsletter from their Senior TU Representatives explaining the relevance of the Ballot.

**Ballot timetable**

Our sister union Unite have stated their intention to run a postal ballot which will open on 30th June with ballot papers needing to be returned by the 20th July, ballot papers will be counted, and the result declared on the 21st July 2021. GMB has an all Regional Organisers meeting scheduled for Monday 28 June to discuss all aspects of this ballot, including which method we will use to run it. It is possible we will seek to run this via an electronic ballot with a link sent out in the usual email or SMS way. It will be a straight forward Accept or Reject question on the package with a recommendation from the joint trade unions that you vote to reject this.

**CNC Newsletter #6**

**Date: 18th June 2021**

**Fighting for UK Pensions**

**Update**

Dear GMB Member,

In previous CNC newsletters we have communicated how your CNC reps have been in negotiations with the Company on a variety of pension subjects, these have resulted in an agreement between the Company and the Rolls Royce UK Pension Fund Trustees (RRUKPF) to amend the funds Trust Deed and Rules. These Defined Benefit (DB) subjects on Uplift, Early Retirement Factors, Share of Fund Transfer Values (SOFTV) and Life Cover will be communicated to you all in the coming weeks in our next newsletter(s).

The main reason for today's newsletter is that since the Trade Unions last National Newsletter #21, the company have responded in our Pensions negotiations by now identifying a number of points that are at risk of no longer being included in the Pensions MOU:

Defined benefit (DB)

• The provision of a guaranteed underpin of a 2.6% uplift – by January 2024 for staff and works.

• An express commitment to seek an extension to the SOFTV option beyond 31st December 2024 up to 31st December 2027. This is planned to be discussed with the Trustee during the 2023 valuation cycle.

Defined Contribution (DC)

• An express commitment to review the arrangements for auto-nudging employees' contributions during 2023, with any changes approved to take effect in 2024.

The Company have stated the above points are dependent on achieving the 'Package' deal, in particular the 10% Productivity and Efficiency savings (otherwise known as the 10% Pay & Benefit cuts) discussions affecting the Civil business and Central Functions.

**Conclusion**

The CNC are disappointed but not surprised by the tactics adopted by the Company with respect to what should only be a Pensions negotiation.

Please note that the 'Package' deal makes no reference to the Pensions MOU.

The 2.6% mentioned above only ensures the Works and Staff achieve parity with Manager members of the Fund who received a guaranteed 5% uplift in early 2020.

The Company response also takes away what precious little there was for DC members. Hardly the encouragement for good retirement savings.

The National Negotiation Team intend on running a consultative ballot on the "Package".

Therefore, the CNC thought it crucial that you understand the links being applied by the Company between the Pensions MOU and the 'Package'.

Irrespective of the ballot result on the 'Package', be assured the CNC will continue in its aim to achieve the best outcome for all the members and will at the appropriate time, seek your support via a separate Pensions ballot.

Thank you for your continued support.

**Pensions CNC Subcommittee**

**Newsletter #21**

**Date: 11th June 2021**

**Enough is Enough!**

Dear GMB Member,

This is our 21st 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

o Productivity & Efficiency (excluding Defence Business)

o New Starter Rates o Core Workforce Principles

o 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 31st 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:

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• 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**

**Newsletter #20**

**Date: 28th May 2021**

**National TU Group Update**

Dear GMB Member,

In our last newsletter (#19) we declared the result of the National Works and Staff 5/10 days unpaid leave ballot, which was narrowly accepted by the workforce. We also informed you that a further newsletter will be published on the next steps after ongoing discussions with the Company.

We first communicated to you all back in June 2020 (newsletters #5 and #6) details of 'the package' (Restructuring Framework Principles) which contained the Company's desire for 10% Productivity and Efficiency (P & E) savings.

We also communicated in newsletter #13 that any changes to Terms and Conditions from April 2021 onwards - be they temporary or permanent as result of the discussions by the National Negotiating team – will require a ballot of affected members. This has been our consistent position throughout the discussions which the Company have always acknowledged.

From the start of the national discussions in February 2020 we have been clear with both the membership and the Company that we were operating as a temporary National Negotiating team. Formal arrangements needed to be agreed by the TU and the Company and put in place with elections to any new bargaining structure, which the Company also acknowledged and understood.

The Trade Union structure was originally required to be put in place by September 2020. This was extended to the end of 2020 and was finally pushed back to April 2021 in line with the end of Covid-19 temporary arrangements.

Unfortunately, despite the TU tabling national bargaining structure proposals, the Company have failed to engage on this element.

Following the result of the unpaid leave ballot and before discussing next steps with the Company, we reconvened our fortnightly national meeting of all Senior Representatives from across the whole of the UK.

It was unanimously agreed by all Senior Representatives that there will be no further Terms of Reference discussions by the current national negotiation team on the following subjects:

• Productivity & Efficiency (10%)

• Permanent Redundancy Terms

• New Starter Rates

However, recognising the ongoing situation with the Company it was agreed by the Senior Representatives that the current national negotiation team continue negotiations on behalf of the UK on the following package subjects and additional points until a formal TU bargaining structure is agreed and put in place:

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• Furlough Terms; July-Sept

• Job Reductions & Workstreams

• Temporary Redundancy Agreement

• Core Working Principles (SWP)

• Additional Hours & Contractors

• Managed Services MOU

• Make & Buy MOU

• H&S

• Home Working Agreement

This position was formally registered with the Company at a meeting on the 19th May 2021 and at follow up meetings on the 25th and 26th May. Further meetings are planned next week.

On 27th May the Company sent a communication - 'Update on UK national Trade Union NDA Group'. We do not intend to respond in detail to this communication as discussions have not concluded, however we will point out some glaring errors.

The Company state "The terms of the UK Package deal were agreed last year". This is factually incorrect. The outline principles of the package deal were finalised last year with final arrangements on those principles reached in March 2021. Discussions have continued since March 2021 on the Terms of Reference for the 10% P & E savings principles, but these discussions have not reached a conclusion.

**Please note, the only agreement we have signed is 'The UK Covid-19 Temporary agreement' on 27th January 2021.**

Talks are on the verge of breaking down, with the Company insisting we have an 'agreement' without any signatures or a national ballot. Their view is all that remains is identifying who is going to sign it!

We reported this position to a reconvened national Senior Representatives meeting on 27th May at which they gave the national negotiating team the remit to conduct a consultative ballot on the 'Package' (Restructuring Framework Principles) if talks break down.

A more comprehensive Newsletter will be circulated next week when we know the outcome of discussions with the Company.

GMB UNION

Thank you for your continued support.

**TU National Negotiating Group**

**Newsletter #19 - Fighting for UK Jobs (Again)**

**Date: 6th May 2021**

**Unpaid Leave Ballot**

Dear GMB Member,

As previously communicated, the Company is proposing for everyone in Civil Aerospace to take 10 days unpaid leave in 2021 (5 days for Central Functions) to support its cost reduction plans. They say this will achieve part of their £1.3bn savings target to deliver a positive cash flow by the second half of this year.

The TU have conducted a postal ballot on the acceptance of the Company's proposal.

The result of the ballot from all the ballot papers returned is as follows:

**Acceptance of the Company proposal – 59%**

**Rejection of the company proposal - 41%**

A further newsletter will be published on the next steps after discussions with the company next week.

Thank you for your continued support.

**TU National Negotiating Group**

**Newsletter #18 - Boardings (where applicable)**

**Date: 16/04/2021**

**Boarding Suspension**

Dear GMB Member,

The Company have unilaterally decided to continue the suspension of the boarding process. This was a sudden and surprising change given that a date for reinstatement had already been agreed.

As you would expect, we continue to challenge this decision.

According to the Company data, they spend approximately £4m on boardings per year.

They have also stated they are expecting a significant increase in the number of people ready to boarding given the previous suspension, this is expected to increase costs even further.

We informed the Company that if they are going to continue the suspension, the savings they make must count towards the 10% 'Productivity and Efficiency' savings for the impacted Groups - Discussions on this point are ongoing.

The Company have indicated that the boarding process could start again from August 2021, we are still seeking clarity on this position.

**Progression Payments**

The Company did plan to suspend 2021 progression payments but following our discussions and challenge they agreed to change their stance and will continue to make these payments.

The 2021 progression payments will be backdated to the 1st April 2021 for those who are eligible.

Thank you for your continued support.

**TU National Negotiating Group**

## RRUKPF Share Of Fund Transfer Values (SOFTV)

**Posted on: 16 April 2021**

Dear GMB Member,

Most pension schemes in the UK pay transfer values only on a CETV (the statutory "Cash Equivalent Transfer Value") basis. In 2016 the CNC negotiated an enhanced transfer value (SOFTV) for members in certain circumstances.

We know that transfer values are an issue of much discussion and concern for people close to a retirement decision and we have been concerned that members are making decisions about leaving employment based solely on SOFTVs.

The transfer figures from the RRUKPF are large and very tempting; however, it is important to note that transferring out passes the risks and costs of investment management to individuals for the rest of their lives. The decision to transfer should not be taken lightly. Accepting a transfer means you will be giving up a regular guaranteed income payable from the RRUKPF. You are legally required to take independent financial advice; we therefore strongly recommend members seek advice. This can be facilitated by Workplace Solutions Advisory (WPSA) who are familiar with the RRUKPF.

**Extension of SOFTVs**

The Company previously communicated that SOFTVs would not continue beyond 31st December 2021 and that normal leavers would need to apply before 30th September 2021. **This no longer applies.**

We have been in negotiations with the Company since October 2020 and are pleased to announce that after long and sometimes difficult discussions we have agreed an extension to the SOFTV availability.

**SOFTVs will continue to be available until at least 31st December 2024**

SOFTVs beyond 2024 will be based on a set of criteria/tests to be agreed between the Company and Trustees at the 2023 triannual valuation review.

**Change to SOFTV basis**

Even though the CNC have had negotiations with the Company on the change to the basis of how SOFTVs are calculated, this requires agreement between the Company and the Trustee of RRUKPF and is still under discussion.

The CNC acknowledge the balance that needs to be made to a 'closed scheme' to ensure that the basis is fair for eligible members across all sections of the RRUKPF and also that RRUKPF remains adequately funded for members who don't transfer and instead draw their pension from RRUKPF when they retire.

Once the new basis is agreed, the pension team will re-programme the pension system. All eligible members will be able to model their SOFTVs on the new basis from August onwards. From the second half of 2021 the system will also be able to produce 2022 quotations. The pension team is also looking at what further self-service quotations can be made available from the online system.

**Guarantee periods**

Once you have a confirmed leaving date you will be provided with a guaranteed CETV (including SOFTV uplift where applicable). If you are between two and seven months away from your agreed retirement date, you will be able to lock into this value; this will provide you with certainty that your value will not go up or down. If you do not lock in, the value will be recalculated each month to reflect changes in market conditions. Once you are within two months of your agreed retirement date (and you have not already locked in) the CETV (including SOFTV where applicable) will automatically be locked at this date using the market factors applicable at this time. In all circumstances, the guarantee period will extend to 3 months after your leaving date.

**Other Potential benefit improvements in RRUKPF under discussion.**

We can update you from our previous newsletter a number of principles have been agreed between the Company and the CNC on the following for active members at the 31st December 2020.

• Pension improvement 'uplift' in 2021,2022 and 2023

• With consent Early Retirement Factors for Active Deferred members beyond 31st December 2023

The detail behind these 'principles' are still under discussion between the Company and the CNC.

Please be aware even if the Company and CNC agree it will then need the Company to discuss and agree these with the Trustees which has yet to happen. Therefore, it will probably be June before a final position is reached.

**Defined Contribution (DC).**

In our last CNC Newsletter #4 we reported that discussions on agreeing financial triggers for entering into detailed consultation on the competitiveness of the Total Reward – Retirement Saving/Share Plan arrangements are continuing. Whilst subject to affordability, it is our primary target over the coming years.

Thank you for your continued support.

**Pensions CNC Subcommittee**

**Newsletter #17 - Unpaid Leave Ballot**

**Date: 12/04/2021**

Dear GMB Member,

As previously communicated in Newsletter 16, the Company is proposing for everyone in Civil Aerospace to take 10 days unpaid leave in 2021 (5 days for Central Functions) to support its cost reduction plans. They say this will achieve part of their £1.3bn savings target to deliver a positive cash flow by the second half of this year.

As part of the consultation we have participated in producing a list of FAQs on the issue, including the Company position as to why it is needed, who it is to apply to (including leadership), why furlough cannot be used for all employees and the process for deductions etc.

The FAQs list details of the exemptions and safeguards we have negotiated for those who have been, or continue to be, furloughed – colleagues who will have already significantly contributed towards cost savings in 2020/21.

A copy of the Company FAQs can be found here:

Company FAQs

We still have differences of opinion with the Company related to the 5/10 day differential and their inability to maximise furlough. There are also ongoing discussions on boardings (to be the subject of a separate newsletter). However, we recognise there is a requirement to make cost savings and that this proposal addresses some of that. The important points that need to be taken into consideration before you cast your vote are:

- This is a temporary measure and not a permanent pay cut
- You are receiving time off in exchange for the reduction
- It is being applied across all Civil and Central Function leadership teams, senior management and employees
- The reduction will be divided into fixed monthly pay deductions over eight months from May until December 2021
- Any person on reduced pay within any monthly pay period will be exempt from any further deductions for that pay period as a result of the unpaid leave
- If you have or will be on furlough for more than 6½ weeks or 240 hours (whichever is the lowest) within 2021 you will be exempt from any unpaid leave reductions
- There will be no impact to any salary related allowances or benefits such as shift premiums/other allowances, pensions, annual bonus, or life insurance
- Pension contributions will continue to accrue and will be payable on full unreduced pay, as will VS & CR payments
- Exclusions for those who may have to work the shutdown period are to be agreed and communicated no later than 28th June
- The 10/5 day deduction equates to 4 or 2% annual saving and will form part of the 10% productivity & efficiency improvements for 2021

We know many of you don't like the unpaid leave proposal. However, strategically, unpaid leave in 2021 is not the issue we need to resist.

For several weeks we have been in discussions with the Company to agree the terms of reference for the 10% Productivity & Efficiency principle (Newsletter 14). It is clear the Company are simply looking at a permanent 10% cut in pay & benefits. This is not the TU position now or when we negotiated this principle back in July 2020.

If there are to be any permanent changes to members pay & benefits, we will expect commitments to securing the remaining core workforce with investment in new technologies, diversification and manufacturing in the UK.

By the end of 2021, the UK will have taken the brunt of 8000 reductions. This needs to stop. We cannot let this continue. **This must be our red line.**

**The National TU Group continue to make difficult decisions and therefore, on balance to the points we have highlighted above, the National TU Group support the acceptance of the unpaid leave proposal.**

**Ballot Arrangements**

This will be a National UK ballot of all represented Works and Staff Civil Aerospace & Central Functions members.

It is intended for a postal ballot to commence on the 16th April, closing on the 28th April, with a result confirmed on the 30th April.

If you have not received a ballot paper by the 21st April:

GMB members should email ian.hodgkison@rolls-royce.com or ring 01332 795 777

You will need to provide your name, membership number and a contact phone number. If you don't have your membership number you will need to provide your address and Date of Birth to confirm your identity and membership.

Thank you for your continued support.

Stay safe.

**Newsletter #16 - Company Unpaid Leave Proposal**

**Date: 31/03/2021**

Dear GMB Member,

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.

GMB UNION

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**

**Newsletter #15 - TU Newsletters - Anonymous Complaints**

**Date: 26/03/21**

Dear GMB Member,

This newsletter is different than the previous 14, in that we are making you aware of an issue that is affecting us, your National TU Group of representatives (the signatories to the newsletters).

In September last year we were notified by the Company that around a dozen anonymous 'complaints' had been made concerning the tone of the TU newsletters (nine had been issued at that point in time).

A meeting was held with the Company to try to understand the issue, during which we made it perfectly clear we always reserved our legal right to inform the membership of our position on Company matters.

At a subsequent meeting the Company responded by saying they had 'investigated' the complaints and there wouldn't be any further action. We were informed that "If they continue to receive further complaints about the tone of the newsletters, the Company will consider its approach again".

We have always acknowledged our responsibility is to be honest, factual and professional but we make no apologies for saying it as it is. As a member of the Union, you should expect nothing less.

It is worth remembering the intended audience of our newsletters are Union members in nonmanagement grades.

We take great care to construct all our newsletters based on the facts as we see them from the front line at that moment in time. Any views we express are genuinely held. It would be an unbelievably stupid and dangerous act of self-harm to intentionally misrepresent the situation.

By contrast, we have consistently received a significant amount of positive feedback from members, we know the vast majority of you read and understand our clear approach in communicating the current crisis.

Have our Newsletters been factual, direct and in some instances hard-hitting? Yes. Will they continue to be? Of course, they will if required. Again, as a member of the Union, you should expect nothing less.

Please be assured we would never dismiss anyone's genuine concerns. If any works/staff member has an issue with the content of our newsletters, please contact any of the National TU Group in the first instance, again please be assured any member approaching us will be treated with the utmost respect and confidentiality. If we are unable to satisfactorily address your concern, we will provide you with the Union's official complaints procedure.

In February, following the receipt of three further anonymous complaints, the Company notified us of their intent to place the representatives in the National TU Group into a 'formal disciplinary investigation'.

This came as a very unwelcome distraction in the middle of intense discussions. We therefore informed the Company we would not be participating in any national negotiations until the matter was resolved.

After conferring with our Full-time Officers, we unanimously agreed not to attend the investigation meeting – instead it was agreed that a Full-time Officer would represent us. We had hoped that this would be the end of the matter.

However, the Company has other ideas.

We have been informed that whilst the Company believe there was a breach of the Company Code of Conduct, they will not be progressing with the disciplinary process and the matter will be dealt with via alternative means.

We have known for some time that they don't like our newsletters because they are extremely well received, widely read, factual and honest.

We believe this attack is nothing more than the Company attempting to shackle your TU and stifle your representative's voices.

GMB UNION

There is great irony in this, from a Company which attempted to tear up longstanding agreements, questioning our approach!

The Trade Union movement has a long history of standing up and being counted in every workplace, challenging bullying behaviour, holding Companies to account and calling out dangerous, unsafe and unfair behaviour wherever it occurs.

A grievance from the National TU group will be raised against the Company which may take some time to conclude. Therefore, on registering the grievance we will re-engage in negotiations with the Company, because we feel this is in the best interests of our members.

Thank you for your continued support.

Stay safe.

Your National TU Group

**Newsletter #14 - Fighting for UK Jobs (Again)**

**Date: 26/02/21**

Dear GMB Member,

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 inhouse 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.

For Appendix, please follow this link -
https://www.gmb.org.uk/sites/default/files/newsletter14appendix_2903.docx

**Newsletter #13 - Fighting for UK Jobs (Again)**

**Date: 02/02/2021**

**Barnoldswick**

Dear GMB Member,

Following the dispute in Barnoldswick previously reported upon, we are pleased to inform you that following very difficult negotiations we have reached the principles of a Memorandum of Understanding (MoU) with the Company.

This has now been accepted by the Barnoldswick workforce and has allowed for the suspension of industrial action, which will allow time for the principles to be incorporated into a detailed agreement.

We strongly believe this outcome was only achieved by the workforce taking a stand in the first instance, which was then supported by national collective pressure that also influenced the negotiations regarding Ansty, Hucknall and Inchinnan. We would also like to point out the importance of our Dispute Fund in supporting the action that was taken and the collective resources of Unite to get this over the line.

**Ansty and Inchinnan**

We have not yet reached agreement on the MoUs covering Ansty and Inchinnan. When the negotiations on these MoUs are concluded they will be presented to the local site TU committees and, if approved, will then go to the local membership for balloting. As with Barnoldswick above, we will share the details in a future newsletter once the respective workforces have been communicated to, balloted and accepted the agreement.

**Hucknall**

Following our request, the Company have provided a 'side letter' covering several assurances regarding the transfer and sale of the Hucknall site. Yesterday, the TU National NDA group shared this side letter with both the Hucknall Site representatives and the staff representatives covering the impacted Hucknall and Derby population.

It has been agreed that local consultations can commence this week to initiate TUPE – Transfer of Undertakings (Protection of Employment) Regulations 2006 – discussions .

It is acknowledged by National and local TU groups that until the actual buyers are known, several guarantees and assurances may need to be revisited. Therefore, even though Hucknall will be transferred to ITP in the interim, they will continue to have the support of the National TU Group and access to the RR Dispute Fund until a sale is concluded.

**Annesley**

Following local consultation with representatives in Annesley, an alternative proposal to the Company's business case was submitted for consideration before Christmas. Our proposal was to keep the inertia welding machine and associated tasks running in the UK and not moth ball it and run with one machine in Germany (as was the Company's proposal). We are still waiting for feedback and a decision on the alternative proposal.

**Derby and London Heathrow EOS**

At present Derby and London Heathrow EOS are covered by a HR1, but no S188 yet on the 150 reductions (they are still classed as an affected group). Several secondments are ongoing (including to the RAF), in addition to maximising furlough. We will be looking at further mitigation opportunities for both the Derby and Heathrow sites. Local discussions continue within EOS in relation to the Heathrow facility and its potential closure. Several scenarios have been tabled and a number withdrawn as not being viable. Feasibility of the transfer of the work continues.

**Load Reductions - Works**

Last week, the company announced the S188 for Works reductions and the information has been shared with the affected sites as below. The Works Workstream 1 was initiated and will look to maximise mitigation and redeployment opportunities (including apprentices) at both regional and national level.

| | | |
|---|---|---|
| **Derby** | **Turbines** | 25 |
| **Rotatives** | 13 | |
| **Hucknall** | 3 | |
| **Ansty** | 9 | |
| **Barnoldswick** | 72 | |
| **Inchinnan** | 43 | |
| **Rotherham** | 75 | |
| **Total** | 240 | |

**Load Reductions - Staff**

Consultations are ongoing in some functions and some have closed as the reductions have been mitigated. Below is the latest from the consultations that have taken place:

- **Planning and Control –** consultations are taken place regarding the Supply Chain Lead accountabilities and how/where the task is being performed. This function is yet to be mitigated
- **Manufacturing & Quality** – consultation still ongoing as the functions are yet to be mitigated
- **Business Improvement and Supplier Operations Support** – consultation still ongoing as the functions are yet to be mitigated

- **Strategic Procurement** – several new roles will provide mitigation for several affected people
- **Civil HQ and Customer** – consultation closed and functions mitigated
- **Services** – there are no consultation forums currently underway due to no proposed impact. We have been informed that there are several vacancies in Services which will be advertised and form part of the mitigation required for other areas
- **iHub & Civil Sec/PA** – these functions have not yet been mitigated and consultation has now started
- **Finance** – under the finance transformation several vacancies have been created and will be used to mitigate where required
- **Engineering (PD&T)** – we are still waiting for the full impact and reductions left in Engineering.

Finally, we were informed by the Company that when all the matching and slotting has taken place and all the Staff have been mitigated, they would like to look at matching Managers who are at risk of redundancy into staff jobs.

Whilst we will endeavour to support any mitigation, we made it clear to the Company that we have other Staff areas such as Engineering (reductions yet to be identified) as well as Works and Apprentices that may need to be mitigated and they must adhere to the priority order agreement we have in place when we are going through a manpower reduction programme.

**Temporary Covid19 MoU**

After many months we have now concluded the details of all the temporary changes that have been made since April 2020 into a temporary Covid19 MoU. All changes will cease no later than end of March 2021.

Furlough will continue until the end of April and the Temporary MoU covers the eventuality if it is extended. In the event that the government announces changes to funding levels or an extension to the Coronavirus Job Retention Scheme, furlough arrangements will be reviewed and appropriate changes made to align to available government financial support. This will be carried out by the National TU Group and will not require a ballot of the membership.

Any other future changes (non-furlough) that go beyond March 2021 – whether they are temporary or permanent – will require a ballot of those affected.

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**Restructuring Framework Principles (Package) MoU**

Last year we negotiated a principles package that we initially communicated in Newsletter 6.

We have yet to finally conclude this agreement and will communicate this when finalised.

Any changes to terms and conditions as a result of these discussions will require a ballot of affected members.

**10 Days Unpaid Leave**

We will commence discussions on the company proposal of 10 days unpaid leave for Civil Aero when the Company finally agree to the Ansty and Inchinnan MoUs, the package MoU and the temporary redundancy MoU (which has been problematic from the first day when they ripped up the old agreement).

Whatever the outcome, the 10 days unpaid leave for Civil Aero will be balloted nationally when all details are known in its application. The National TU Group believe that this should be applied to all employees in Civil Aero up to and including senior management and board members to support such a cost saving proposal.

**Pensions**

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. Due to the complex nature and the ongoing valuation of the Rolls-Royce UK Pension Fund (RRUKPF) these discussions will continue into February. On completion of these discussions the Pensions CNC will issue a newsletter.

Transition arrangements will be provided to improve your pension for the future. Therefore, because discussions are yet to be concluded the simple message is keep calm, do not panic and think you need to do anything with your Define Benefit (DB) Pension at this point in time.

*Be very wary of cold calling vultures wanting to discuss your pension.*

Former DB members should have also received an introductory correspondence from Aviva concerning enrolment into the Defined Contribution (DC) scheme. We are aware that there have been issues with registering onto this site using Company IT equipment due to software protections, which we have escalated with the Company. The best advice is to either using the Google Chrome browser or your own IT equipment at home to log on to the website.

Further assistance and guidance on these and other related pension issues will be provided.

**H&SE**

We have concerns over some of the weekly COVID19 Safety Walks which we regard as being central to maintaining a safe workplace. In some facilities they are not taking place on a weekly basis and that in some areas the TU signature for signoff has been removed. It has been agreed to audit safety walks and reintroduce the TU signature requirement if they have been removed.

By now you should have also seen the Company are encouraging employees to wear face coverings when moving around the buildings and individuals are not at their place of work.

The TU have also requested that discussions should take place concerning testing in the workplace (there has also been discussions around vaccinations).

The Company have confirmed that if people are called to receive their vaccination then this should be treated the same as any other medial appointment in terms of time off purposes.

As we all know COVID 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

## 2020 Bulletins

### Fighting For UK Jobs & Sites, Etc (Again)

+

**Posted on: 22 December 2020**

Dear GMB Member,

Since our last newsletter (3rd December), we have several key topics to update you on concerning UK footprint - specifically Barnoldswick, Hucknall, Inchinnan and Ansty (recognising that local consultations are still ongoing at Annesley and EOS Heathrow).

**Barnoldswick**

On 16th December National Unite Officers, the National Trade Union (TU) Negotiating Group and the Local Barnoldswick Senior Reps had discussions with Warren East (CEO) and other Senior Company Management.

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On the 17th December, the Barnoldswick Staff TU gave notice to its members of a consultative ballot for industrial action in the New Year (Appendix 1).

On the 18th December the Company rejected the Local Trade Union's alternative proposal of moving all fan blade production to Barnoldswick.

On the 21st December, the Barnoldswick Works TU gave notice to the Company of their intention to continue industrial action in the New Year. The notice states;

*'Unite has to work in line with the strict legislation relating to Trade unions and disputes and more specifically notice periods and whilst we had hoped to be in a position of not having to serve notice, we simply cannot leave the union open and absent of any agreement we are duty bound to protect our members interests and position. However, we remain committed to trying to find resolution to this dispute and we remain hopeful that we are able to retract this notice of action.'*

Discussions have continued with the Company and today the TU tabled a Memorandum of Understanding (MOU), designed to safeguard the future of the Barnoldswick site. We are now awaiting a response from the Company in the New Year.

**Hucknall**

We have previously communicated that the National TU Negotiating Group proposed a number of guarantees and assurances affecting the future of the Hucknall site and impacted employees in Derby.

Neither the National Negotiating Group or Local TU could accept the Company's initial response, therefore would not support the Company proposal - as communicated in the Hucknall TU Newsletter dated 11th December (Appendix 2).

The National TU Negotiating Group have been in discussions with the Company and have requested a 'letter of intent' to provide acceptable guarantees and assurances before entering local consultations, to date we have not received a satisfactory response. We will continue discussions into the New Year to secure a more certain future for Hucknall.

**Ansty & Inchinnan**

The National TU Group and local TU have reached agreement with the Company on guarantee principles for both sites. The Local TU (once an amicable national resolution has been achieved for the Barnoldswick and Hucknall sites) will consult its members prior to entering detailed consultations.

**Organisation Restructuring and 2010 Load Reductions (5th November)**

Consultation will continue in the New Year concerning timelines and mitigation regarding ~95 Staff redundancies currently under an S188 notice.

Consultation will also commence in the New Year regarding ~420 works redundancies currently under a HR1.

We have stated that all those impacted by either an HR1 or an S188, who have applied for voluntary severance (VS), should be allowed to go.

All VS applications will be reviewed by the TU in the New Year to ensure maximum mitigation against redundancies and permanent positions for the placement of apprentices.

The National Apprentice Committee have successfully managed to mitigate the majority of Apprentice terminations thus far. Those that have not found alternative work within RollsRoyce have received assistance and found external jobs.

**Furlough Phase 4**

Furlough Phase 4 will be extended until the end of April 2021. We will review any further amendments to the furlough scheme in the New Year.

**Pay & Benefits**

For clarity the following T&Cs changes have been agreed in principle on a temporary basis to March 2021 for Civil and Central Functions and 31 December 2020 for Defence.

- Civil, Central Functions & Defence - no progression or promotion increases
- Civil, & Defence – deferred fixed service base pay increments increases
- Civil & Central Functions - no overtime or additional hour payments
- Civil & Central Functions – no accrual of Lieu Days, Leisure days or Additional Hours days
- Civil & Central Functions - sick pay based on base pay/all-inclusive rate (excluding shifts)
- Civil & Central Functions – wind down entitlement not available

As previously reported, we have yet to agree any collective agreements on 2020/21 COVID temporary changes and Package Principle MoU documents.

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**Discussions on these agreements will restart in the New Year – however as previously reported, no discussions on pay and benefits announced on the 5th November by the Company will take place until all appropriate collective agreements are finalised and signed.**

**Please be assured, everyone who is affected by any permanent changes from March 2021 will be consulted (balloted).**

**Pensions**

See 'CNC Newsletter 3' issued on the 18th December.

**H&S**

The TU H&S Negotiating Team continue to meet on a weekly basis with the Company. A number of issues remain unresolved and are still on our agenda. As we all know COVID has not gone away, so please remain vigilant and comply with all the safety guidelines.

**End of year message**

We recognise it's been a difficult year for you all, both in and out of work. This is set to continue into next year, but always remember in unity is our strength. Remain strong and we will get through this together.

We thank you for your continued support and wish you and your families a very Merry Christmas and a Happy New Year.

For appendix please follow this link - Newsletter12appendix_2903.docx

**CNC Newsletter #3 - Fighting for UK Pensions (Again)**

**Date: 18/12/2020**

Dear GMB Member,

**1 Defined Benefit (DB) Transition**

From 31st December 2020 your DB Pension Scheme will be closed to future accrual. Any funds you have accrued will be secured and will continue to receive statutory increases.

From the 1st January 2021 former active members of the DB Pension Scheme will automatically be enrolled into the Rolls Royce Retirement Saving Trust (The Defined Contribution 'Money Purchase' Scheme), with a member contribution of 6% and an Employer contribution of 12%.

**2 CNC NDA (Non-Disclosure Agreement)**

Although accrual in the DB Pension scheme will stop on the 31st December 2020 and your accrual in the DC Scheme will begin on 1st January 2021, negotiations for the basis of the transition will continue until a conclusion is reached.

The negotiations between the Company, CNC, and the Trustees have now reached a point where confidential information relating to the valuation of the DB Pension Scheme and the Covenant of the Employer (the Company's ability to financially support the Scheme) is being discussed. Therefore, at the request of the Company and the Independent Chair of the Trustee Board, it has been agreed that a small CNC subgroup (covered by an NDA) will continue these discussions into the New Year.

**3 Pensions Memorandum of Understanding (MoU)**

The Pension MoU is intended to cover both future benefit improvements to the DC Pension Scheme and transitional arrangements for the DB Pension Scheme. This document will not be finalised until the New Year.

• DC Scheme Improvements

Setting the terms of reference for any benefit improvement of Total Reward arrangements that include the DC Pension Scheme to ensure and promote good quality long term retirement savings for members.

• DB Scheme

The Pensions MOU will include the following benefit changes already agreed with the RRUKPF Trustee:

√ The eligibility to partial transfer value payments for all members, regardless of whether a share of fund or cash equivalent transfer value is payable, subject to prevailing requirements of the FCA being met in relation to transfer certificates etc

√ The ongoing eligibility to a bridging pension for all retiring members

√ The treatment of any employee subject to a TUPE transfer on a parity basis with employed-deferred members up to 31 December 2023 for the purposes of with consent early retirement factors and transfer value basis

√ Death in Service, Ill health lump sum benefit and pension (Medical Early Retirement) applicable to active members of the RRUKPF on 31st December 2020 continues to apply until 31st December 2023.

• DB Transitional arrangements (Yet to be finalised)

The MoU will also include the following transitional arrangements for all former active DB members who are in employment with the Company on the 31st December 2020.

o Potential enhancements to pension benefits of members as at 31 December 2020

o The basis of any share of fund transfer value (SOFTV) available beyond 31 December 2021

o Provision of with consent early retirement factors beyond 31 December 2023

o Better protection on revaluation for all deferred employees.

The role of the CNC Sub Group covered by the NDA is to finalise the above points with the Company. These negotiations are not conventional - we are in negotiations with the Company, whilst in parallel the Company are also in negotiations with the Trustees. There is no formal relationship between the CNC and the Trustee.

It is important to note that the Trustees are the ultimate decision makers, whose primary aim is to protect the fund and secure those benefits accrued up to the 31st December 2020.

The MoU will not be finalised until early 2021 and recognising our members apprehension, the CNC have requested a 'letter of intent' from the Company, see attached (Appendix 1), committing to reach an agreement on any MoU in the New Year.

**4 SOFTV**

Current situation determined by the Company for all DB leavers in 2021, who are of an eligible age (depending on their scheme rules) and entitled to a SOFTV:

Normal Leavers

• The Company have stated SOFTV will stop on 31st December 2021

• Those leaving the Company aged 55 and above (or ex-members of RRPF who are 50* and above) and not receiving Voluntary Severance or Compulsory Redundancy must give the Company at least 3 months' notice (to be received no later than 30th September 2021) to qualify for SOFTV

*Can Take SOFTV at 50 if your scheme rules allow provided you are able to get a bulk transfer (Buddy System) with WPS, however, this is a very complex area of legislation in which certain criteria must be met and must be done in conjunction with a financial advisor.

• SOFTV quotes will be guaranteed within 3 months of members leaving date and valid until 3 months after their leaving date.

Voluntary Severance (VS) or Compulsory Redundant (CR) Leavers

• The Company have stated SOFTV will stop on 31st December 2021 with those leaving on VS or CR with an extended guarantee of SOFTV with final payment by 31st March 2022

• Members leaving on VS or CR during 2021 and wanting to extend their decision-making period must formally request a SOFTV payment by 31st December 2021

• VS or CR leavers who are delaying their decision will have a 12-month decision window, however from the 1st January 2021 onwards the last date to inform the Pension Dept to qualify for a SOFTV will be 31st December 2021

• VS or CR members who pass their 55th birthday (or ex members of RRPF 50th birthday) during the decision window can receive SOFTV provided they have reached that birthday by 31st December 2021.

**5 Pensions Administration**

We have been assured that there will be an improvement in the support from the Pension Department now the Company have provided them with the correct tools (including mobile phones and call centre software in order to support scheme members).

This is something that should have been addressed several months ago to alleviate the pressure felt by the Pension Department staff and scheme members.

**6 Pensions Website**

The Pensions Website now only provides estimates to 31st December 2020, we have registered our concerns about the modification on behalf of those members considering leaving Rolls-Royce on VS.

We have been informed that a further upgrade will take place in January that will reflect the closed status of the scheme and provide more appropriate estimates.

**7 Money & Pension Service Helpline (MaPs)**

An additional financial service has also been provided for those considering leaving Rolls-Royce and taking their pension. MaPs provide guidance on redundancy, budgeting and other financial matters not just pensions.

MaPs was created in 2019 by the UK Government and is funded by the Department of Work and Pensions. It brings together the Money Advice Service, Pension Wise and The Pension Advisory Service into one place, although they are still to change some of their branding. It’s completely free and impartial.

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## Noticeboard Bulletin - 18-12-2020

**Posted on: 18 December 2020**

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**Date: 18/12/2020**

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**Date: 03/12/2020**

**Newsletter #11**

Dear GMB Member,

Fighting for UK Jobs, Sites, Terms & Conditions, Pensions, Fair Treatment, Truth, Transparency, Ethical Behaviour, Morals… etc (Again)

It is important you take time to read this lengthy newsletter. The time for all of us to fight for what is right is fast approaching. Our Company has lost it moral compass.

**Barnoldswick Update**

The Barnoldswick dispute is now becoming a national issue due to the disgraceful actions of the Company. Collectively, across Civil Aerospace and beyond, we cannot let them get away with it. It could be you next. Information about the response from Unite the Union can be found at Appendix 1.

The Company have played games with the information they provided to the Barnoldswick TU representatives, which leads us to conclude they do not want to resolve the dispute.

These games are also attempted at a national level - even when some of the discussions are covered by a non-disclosure agreement (NDA) they cannot be truthful.

On several occasions the NDA group of representatives have demanded the Company provide the details behind their so-called business plans - a reasonable request so the local Barnoldswick TU can question the Company and table an alternative. Sadly, all the information has not been provided to date.

We have now found out why they have been doing this. Today they announced that the SCAM (Structures) work currently being undertaken at Barnoldswick will be exported to ITP in Spain.

Barnoldswick have already suffered a reduction of 235. As a result of the latest announcement Barnoldswick face an additional crippling reduction in excess of 350 (177 for the transfer of Fans, 145 for the offshoring of SCAM work and 28 aligned to central functions) plus an as yet unknown number due to a load reduction.

This disgraceful 'death by a thousand cuts' approach has seen the workforce at Barnoldswick reduce from over 700 to approximately 100 as a result of the Company proposals.

On 24th November the Company issued a memo to the Barnoldswick workforce stating that they were closing the site for safety reasons and that employees not taking strike action would receive 'Company Furlough' at 80% of pay. This is at the same time as offshoring parts that have a dual source abroad (Japan, Spain and Singapore), as well as making further plans for new offload work for those parts that are currently single source in Barnoldswick.

On the 27th November the Company sent out another memo to the Barnoldswick workforce stating "the Company has decided to pay the first two weeks of furlough at 100%" then go on to follow with a 'Company Furlough' payment of 80%. Once this 'Company Furlough' was reported to the National TU Group we made it clear to Andrew Page (Head of Employment Relations and Standardisation) that this arrangement does not exist and is potentially illegal without the agreement of us and the Barnoldswick TU representatives (which has not been provided).

The Company were informed they have two options - full pay, or no pay and take the consequences that will follow.

The National TU Group stated we would hope to find a solution to the dispute with the Company within these two weeks.

The Barnoldswick TU representatives will also use this time to table their alternative proposals (despite having to contend with more bad news announced in the latest communications). Note that it took the

Company months to put their plan together using a fleet of extortionately priced consultants.

If no solution is found in that time and the Company decide to pay anything other than full pay without agreement, the TU will instigate legal proceedings on an unlawful deduction of pay.

If the alternative Barnoldswick TU business case to retain all fan blade and SCAM work is rejected by the Company, and the Company also reject the National TU Group proposal of alternative work, our internal processes are concluded and a national Failure to Agree (FTA) will be registered. A meeting will then be held with the Company and external officers of the TU's. Failure to reach a solution at this stage will lead to a national trade dispute.

**Ansty & Inchinnan**

Representatives from the National TU Group are in discussions with the Company on their proposals for these sites and have updated the relevant site TU reps accordingly. Unfortunately, the Company do not want us to discuss or communicate these proposals, or the threats if they're rejected, as they are embargoed under the NDA.

One thing we can say at this point is that the National TU Group and the Site TU reps have not agreed to support these proposals as there are several unresolved issues over guarantees and protections.

Once final proposals are communicated, members at both sites must have the final say on the outcome of any such proposals via a ballot, as they are best placed to make intelligent decisions on their futures. More importantly, they will also know what guarantees and protections were rejected by the Company.

**Hucknall**

Representatives from the National TU Group are in discussions with the Company on their decisions regarding Hucknall and have updated the site TU reps accordingly. Unfortunately, the Company do not want us to discuss or communicate details as they are embargoed under the NDA.

As you may know, a TUPE transfer provides no protection of future terms and conditions. All it does is collate your current T&Cs, contractual and collective agreements that are in place at the date of the transfer. It will not provide any protection if ITP subsequently want to make changes - it will be up to the local TU representatives to fight accordingly at that time.

You should also be aware that TUPE has extremely limited protections concerning pensions. ITP have no obligation to mirror the current Rolls-Royce arrangements. The only thing they are legally obliged to provide is access to a pension (even if this is just the statutory minimum NEST scheme).

One thing we can say at this point is that the National TU Group and the Site TU reps have not agreed to support this decision as there are several unresolved issues over guarantees and protections. These are:

What guarantees of security of supply is RR setting with ITP? • What guarantees of security of employment on the Hucknall site is being set with ITP? • What productivity/efficiency measures are being set by RR with the transfer to ITP? • What pension protections and provision will be provided by RR/ITP? • What guarantees and protections are being provided for individual DB pension scheme members by RR?

Members at Hucknall must have the final say via a ballot, as they are best placed to make intelligent decisions on their futures. More importantly, they will also know what guarantees and protections were rejected by the Company.

**EOS Derby & Heathrow**

As the Services leadership team communicated on 5th November (without talking to those affected in the first instance) ~150 direct reductions have been identified. This is approximately 30% of the direct workforce. As part of the announcements the Company also intend to close the Heathrow facility.

To date, the only point which has been agreed between the Services Leadership Team and Senior TU representatives is to maximise use of the government furlough scheme to the end of March 2021, to ensure adequate time is provided for detailed consultations and mitigation discussions into the new year.

For your information, and so you are aware of the strong feelings, the relevant EOS TU newsletter is attached at Appendix 2.

**5th November Announcements**

Hopefully you will have noticed the Company extended the Voluntary Severance (VS) application window for Staff and Works to the 17th December. Note that yet again this was not done out of kindness by the Company (despite what their communications imply). We had to demand it.

As a reminder, a HR1 is a formal notice from the Company to the government of potential future reductions in the workforce. A Section 188 (S188) notice formally triggers the start of the statutory 45-day minimum consultation period before any redundancies can take place.

The Company issued the relevant Staff TU representatives with S188's on the 5th November without any prior discussion. However, impact briefs began prematurely without our knowledge.

Whilst the S188 is a statutory legal document the Company still can't get it 'right first time'. The Company has since reissued the S188's but it's anyone's guess if they are correct.

The current reduction totals on the S188's are 94.5 in Civil Aerospace Staff and 12 in the Innovation Hub.

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For Works colleagues we have now received some clarification of the locations of the ~420 direct reductions but cannot communicate further due to the obligations of the NDA. This will be communicated as soon possible.

We can confirm that the Company have eventually agreed to our request to postpone the issuing of any S188 notices for Works colleagues until the end of January 2021. There are a number of issues regarding the release of VS applicants, even where a HR1 and/or S188 has been served.

**Apprentices**

Some apprentices were scheduled for finishing their apprenticeship in 2020, but have no permanent role available, where possible have been placed in temporary positions until March 2021 due to number of VS leavers earlier this year. Unfortunately for the rest of the 2020 completers they will be receiving termination letters from as early as the 7th December.

It is therefore important that VS applications are processed as quickly as possible to at least provide some temporary positions (if not permanent positions). A point which has been registered with the Company by your Trade Union.

**Furlough Phase 4**

We have agreed that payment at 80% will be extended until 31st January 2021. We will then meet with the Company early in the new year to understand further governmental furlough guidelines for extension until the end of March 2021.

**Pay & Benefits**

As previously reported, we have yet to agree collective agreements on COVID temporary changes and Package Principle MoU documents. After reaching agreement with the Company we will be double checking everything with the Union's legal team.

You may have seen the recent communication from Simon Burr and Simon Carlisle, in which they stated, "Discussions have commenced on the Reward Principles and proposals announced on 5th November".

Unfortunately, this is another example of fake news by the Company as no such discussions are taking place with TU representatives.

To make it clear to members and the Company (we know they love reading these newsletters) – no discussions on pay and benefits will take place until all appropriate collective agreements are agreed and signed.

Be assured, everyone who is affected will have a vote on the outcome of those discussions.

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**Pensions**

There are also problems obtaining pension figures for colleagues exploring VS – a fundamental part of the decision to apply to leave.

The Pensions CNC hope to issue an update on the current situation next week.

**H&S**

We are continuing to have several health and safety issues, not least of which is having to go back over fundamental points we thought we had agreed previously.

We have asked for more details around the use of the Track and Trace app being used in the workplace and we still have outstanding issues around self-isolation and payment of shift pay guidance.

It is interesting to note that managers are also becoming increasingly concerned about these issues.

All these outstanding issues remain on our agenda and are becoming problematic to resolve.

Finally, remember that the only source of truth is through these newsletters and we thank you for your continued support.

All previous newsletters can be found at the following link:

https://www.gmb.org.uk/network/manufacturing-section/rolls-royce-noticeboard

**Appendix 1 – Unite the Union Barnoldswick Press release.**

**Unite Press Release**

Immediate Release: Wednesday 25 November 2020 Rolls-Royce Barnoldswick Christmas lockout and offshoring decision an act of industrial selfmutilation Rolls Royce's announcement that it will close its factory in Barnoldswick from this Friday (27 November) until after Christmas, while offshoring work around the globe, has been described as an act of 'industrial self-mutilation' by Unite the union, which represents workers at the plant. Unite members have been undertaking targeted strike action since 6 November, which was due to end on 24 December, in a campaign to secure the future of the historic factory, the cradle of the jet engine. The campaign has become known as the 'Battle for Barnoldswick'. In a briefing staff were told that "on the basis of health and safety" the site would close for an extended Christmas shutdown and workers would not return until after Christmas. They were also informed that work currently undertaken at Barnoldswick will be immediately transferred to Japan, Singapore and Spain. Rolls-Royce has further announced that workers who are not part of the current targeted industrial action will be furloughed from Monday 30 November until Friday 18 December and will receive 80 per cent of their pay during this time. The 'Rolls-Royce furlough' is not part of the government's Job

Retention Scheme, nor is it something that has been agreed with Unite. As a consequence, Unite is seeking urgent clarification and is considering a legal challenge to ensure the workers who were not on strike receive 100 per cent of their wages. Unite regional officer Ross Quinn said: “We have consistently called on Rolls Royce to work with us to find the resolution that the members who have given their working lives to Rolls Royce deserve. “However, the company has shown absolutely no appetite to resolve the dispute. The decision to lock workers out of Barnoldswick before Christmas and to immediately offshore work at the factory demonstrates that Rolls-Royce has no intention of negotiating or consulting its loyal workers on its plans. “Workers at Barnoldswick, who take huge pride in their work, began targeted industrial action as a last resort in order to ensure the future of the historic factory. “By its actions today it appears that Rolls-Royce is simply not prepared to enter into negotiations and to preserve this historic site. Instead it has undertaken this course of action which damages workers, the local community and the historic Rolls-Royce brand.

“We remain committed to finding a resolution and call on the company to meet with Unite immediately before they do irreparable damage to this workforce and community.” In August Rolls-Royce announced that it intended to offshore the work on its Trent jet engine blades from Barnoldswick to a site in Singapore, with the loss of 350 jobs. Unite has warned this would make the factory, which Rolls-Royce has operated for over 70 years, potentially unviable. The loss of jobs or the potential closure of the site would have a devastating effect on the town and the community of Barnoldswick where Rolls-Royce remains the principal employer. Since the announcement, Unite has been campaigning to have the decision to offshore the jet engine blade work reversed or alternatively secure a commitment that similar work would be transferred to the site. Rolls-Royce’s actions are especially controversial as it is currently in the process of securing around a billion pounds support from the government, as part of a £5 billion refinancing scheme, to contend with the global slowdown in the aerospace sector due to the Covid-19 pandemic. Unite national officer for aerospace Rhys McCarthy said: “Rolls-Royce actions are totally unacceptable. At a time when they should be entering into negotiations, they have instead locked workers out and moved work abroad. “It is vitally important that the government and MPs make it entirely clear to Rolls-Royce that its actions are deplorable and should be reversed immediately. “Since Rolls-Royce first announced its intentions, Unite has been crystal clear that it was fully prepared to negotiate to secure the future of Barnoldswick and this still remains the case.” ENDS.

**Appendix 2**

**EOS Trade Union Newsletter**

**Date: 24/11/2020**

It is only right and proper to issue an EOS-specific newsletter following a year of complete deceitfulness from the Services Leadership team towards us, both in Derby & Heathrow.

Back in April we had a total headcount reduction of 49 from EOS Heathrow (50%) and 35 from EOS Derby. Announcements for reductions in other MRO bases including Inchinnan, Ansty, Bristol, Germany and

Canada were also made at the same time. We had our suspicions concerning the future of EOS London Heathrow but unsurprisingly no commitment was provided by the Services leadership team at the time!

With a combined total of over 4700 years' service, 167 employees in EOS Derby came forward for Voluntary Severance (VS) and left the Company by September 30th 2020. This meant we could mitigate reductions in other areas of the businesses – over 100 jobs in total.

We raised concerns that all leavers were being replaced and stated that ethically we should not be giving the false hope of people making the decision to move with a second phase of reductions before the year end, but regrettable that is the situation we find ourselves in.

Taking into account the closure of MRO Inchinnan (446 direct jobs) and now 150 directs within EOS (29% of our direct workforce), this is not just a drop in load but a blatantly opportunistic and strategic attack on cutting UK MRO jobs and offshoring work to Joint Ventures and third party maintenance providers.

For those who witnessed the shambolic way the Services WebEx singled out EOS Derby and EOS Heathrow on 5th November, you will understand and probably share our utter disgust at the way the announcement was delivered.

Many of you heard the announcement second-hand from colleagues or by seeing the 'Killer' slide on your mobile phone, we're sure you all felt better about the situation with the usual Company cliché of "we care about your wellbeing and mental health". We know they really don't care.

EOS have always played a big part of the MRO network, especially when it comes to the health of the Trent 1000 engine fleet during recent times, by developing methods and training 3rd party providers to get the AOG levels of the Boeing 787 Dreamliner down to zero – something the workforce answered admirably with hard work and dedication to the cause.

When the National TU Group forced the Company to shut down sites in March to make workplaces safe, EOS took the time to redesign the shop layout and have since implemented over 600 improvements – to allow us to continue working safely and thus continue to drive down the Boeing 787 AOG's.

Our suspicions were raised again when a review revealed RR Canada was not going to be impacted as first thought and are now not facing closure. We never believed Canada was ever going to be impacted as originally announced, and now we know!

Their actions prove the deception that's been played out. We do not need to tell you how the whole of our workforce must now feel after the announcement on 5th November of a FURTHER 150 job cuts in EOS and the proposal to close the London Heathrow facility. This now leaves us with a workforce they wanted in June, not knowing what their future entails.

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We will of course be raising the above and much more in the coming weeks, including maximising the government furlough scheme into 2021 and will endeavour to maximise mitigation of job reductions.

What we have recently been provided with is the EOS 2021 SORB data;

Facility Derby LHR Engine shop visits 100 35

Lastly for now, we would like to thank the membership for your complete professionalism and continued support in this most difficult of years.

Take care of yourself and each other - your TU cares about you even if the Services Leadership team does not.

**Date: 18/11/2020**

**Update**

Dear GMB Member,

Our previous newsletter (9th November) communicated that the CNC had registered a Failure to Agree (FTA) with the Company.

Even in normal times pensions are complicated, with any outcomes requiring agreement between the Company, the CNC and most importantly the Trustees. This is something we have done successfully for many years.

Unfortunately, we are not in normal times. It has been frustrating and damaging in equal measure that all year we have had to deal with a Company which in many instances has lost its moral compass on how it should treat its employees.

It stated that the Company does not accept we have any legal right to register an FTA, ballot our members or even negotiate on pensions, even though there is over 20 years of precedent.

The Company agreed to a vague future review of the Defined Contribution (DC) scheme structure. However, in parallel they disgracefully changed the Defined Benefit (DB) proposals they had already tabled to the CNC and Trustees.

The Chair of the CNC subcommittee contacted Joel Griffin (Head of Reward) and made it clear we cannot accept this attitude or the response to our FTA. The outcome was that the Company issued a revised response to our FTA (not written by a lawyer).

An FTA meeting took place, the outcome of which is an interim position for the DB scheme to provide much needed certainty for people considering Voluntary Severance (VS) and/or early retirement due to the DB scheme closure on 31st December 2020.

**The main terms are:**

- All DB members will be automatically enrolled into the DC pension on 1st January 2021 at the highest available level of employer pension contribution (12%) with employee contributions remaining at 6%.
- Current 'with consent' Early Retirement Factors will continue to apply until at least 31st December 2023 (including any TUPE transferees).
- The current basis of calculating Share of Fund Transfer Values (SoFTV) continues until 31st December 2021 (including any TUPE transferees).

In addition, the results of the 2020 funding valuation are not yet known to the Trustee, Company or CNC. Once the details are known (expected over the next few months), we shall re-enter discussions with the Company to negotiate an MoU that will include:

**DC**

A Review of the DC scheme arrangements (Whilst the Company had agreed to provide a review of the DC pension, we have made it clear that we need to have further discussions, specifically to clarify the 'terms of reference' of any review).

**DB**

- Basis of potential terms of pension benefits for members as at 31st December 2020.
- Basis of any SoFTV available beyond 31st December 2021.
- Provision of 'with consent' Early Retirement Factors beyond 31st December 2023.

No final decisions on any of these aspects are expected to be taken before January 2021.

**Conclusion**

The CNC and Company have reached an uneasy truce. But it is paper thin.

We believe the next time we fundamentally disagree with the Company; their lawyers will write more threatening letters stating we do not have the right to negotiate pensions or ballot our membership.

As a result, we must all be prepared to take the Company on.

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

Thank you for your continued support.

Pensions CNC Subcommittee

**Date: 09/11/2020**

**Background**

Dear GMB Member,

Over the last 20 years, the Pensions Central Negotiating Committee (CNC) and Trade Union structures have battled to protect and improve the various pension schemes in Rolls-Royce.

We are now in a crucial situation where the Defined Benefit (DB) Scheme is closing and, from the 1s January 2021, everyone will be a member of the Defined Contribution (DC) Scheme.

It is therefore vitally important that everyone understands the current situation in the DC and DB pension schemes (irrespective of which one you are currently a member of) regarding the negotiations the CNC are having, the decisions which are being taken and the behaviour of the Company.

As we have reported recently, the CNC recognise the current financial climate and have been prepared to make difficult decisions – including not contesting the initiation of the force majeure clause to enact closure of the DB scheme.

The CNC have also been realistic in their objectives of improving both the terms of the DC Scheme going forward and the fair transition of the DB Scheme closure.

After initial consultation meetings the CNC agreed to remove some proposals from our list (National TU Newsletter 8). The reason for this was that after the Company supplied the financial cost of our proposals the CNC decided there were more important and realistically achievable items to focus on. In fact, the Company thanked us for being pragmatic.

**DC Scheme**

Pensions experts will tell you that we need to aim for between 20 – 25% total contributions of income in order to receive reasonable pensions outcomes.

In 2018, as part of the Total Reward package, we negotiated some changes to the DC Scheme. The CNC's objective was always to use the probable future closure of the DB Scheme to improve the DC Scheme.

We must therefore revisit our promise to address the outstanding issue of contributions for members who are over 40 years old. This will benefit members of all ages and must therefore be included in any settlement going forward.

Recognising the current financial position of the Company we proposed a transition arrangement to address this situation (National TU Newsletter 8). As we have communicated previously, we are prepared to negotiate a reasonable transition for any DC Scheme improvements so the Company can realise greater cost savings in the current financial climate.

**DB Scheme**

From the moment the Company communicated their intentions, the CNC could have legitimately fought against the closure of the DB Scheme. However, because of the financial position of the Company the CNC decided the best course of action was to work with the Company with the objective that DB members get a 'fair transition deal'.

You may recall that in 2018 you agreed (as part of the Total Reward package) the Company could take a £145m contribution holiday to assist their financial situation at that time, which they have conveniently forgotten about. To date this money has not been repaid.

The CNC DB Scheme transition proposals are to ensure equality in application across all scheme members - for example a 5% uplift and existing 'with consent factors' going forward. This would also be consistent with existing arrangements agreed with managers on 1st March 2020 (surprisingly no force majeure was applied). We're not asking for removal just equality.

**Negotiations**

As a reminder, the Company and CNC have already agreed to the following for the DB Scheme closure transition:

• • Pre 1997 pension contingency increases guaranteed up to 31st March 2024, subject to Trustee agreement

• • Bridging Pension Option maintained, subject to Trustee agreement

• • Partial Transfer Option, subject to Trustee agreement

• • Unreduced Benefit Underpin for Death in Service/Medical Early Retirement (MER) until 31st December 2023, subject to Trustee agreement.

The CNC have informed the Company that our remaining priorities are:

For the DC Scheme

• • An improved contribution structure of the DC Scheme for all existing and future members.

*The only response from the Company on the DC Scheme is attached at Appendix 1. Click HERE to view*

For the DB Scheme

• • A 5% uplift on DB pensions accrued up to 31st December 2020, for Works & Staff employees. The CNC is simply asking for parity with what managers received in March 2020

• • 'With Consent' early retirement factors maintained in the DB Scheme, post-closure. Again, the CNC is simply asking for parity with what managers received in March 2020

• • Share of Fund Transfer Values [SOFTVs] in the DB Scheme maintained from age 50 or 55 as per current scheme rules post-closure.

The Company have not satisfied our proposals, instead they have made their own proposals to the Trustees which fall well short of our expectations.

**Failure to Agree**

On Friday 6th November, the CNC registered a formal Failure to Agree (FTA) with the Company.

*A copy of this is attached at Appendix 2. Click HERE to view*

We will provide further updates when the FTA has been heard.

**And Finally**

You will have seen (or experienced at first hand) how the Company has handled the COVID crisis regarding furlough, redundancies and site closures. They are now using the pandemic as an opportunity to attack everyone's pension.

We know they will do the same to employment terms and conditions for those of us that remain in a job, if we allow them to.

We must all be prepared to fight every single unfair attack.

Stay strong and remember the only source of fact and truth is via these newsletters. and we thank you for your continued support.

**Date: 14/10/2020**

Dear GMB Member,

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**1. Update**

The National TU Group was informed there have been several ethics complaints raised as a result of our newsletters. It is never our intention to cause offense - and if we have, we apologise - but we will not apologise for stating facts and our honest assessment of any given situation.

Throughout this crisis we have highlighted several occasions where we believe the Company has acted unethically, opportunistically and made incorrect or poor decisions. We see it as a fundamental part of our role to continue to highlight this hypocrisy wherever necessary.

You may have seen various press reports talking about the Company exploring ways of raising further finance to underpin the company's equity position and see us through these difficult times – such as share rights issues, government bonds, disposals (selling parts of the business), etc. The National TU Group have had no part in these discussions or announcements, however we will continue to monitor the situation and support where appropriate.

**2. Pensions**

The Pensions Central Negotiating Committee ((CNC) - the TU body responsible for pension consultations and negotiations) have issued a joint communication with the Company on the 5th October 2020.

The communication strongly recommends the use of a company called Workplace Solutions Advisory (WPSA). The National TU Group fully support the Pensions CNC and the use of WPSA. Please see Appendix 1 on the WPSA fee structure. The statutory 60 days individual consultation process, which was unilaterally initiated by the Company, has now closed. However, consultation discussions are still ongoing with the Pensions CNC and further meetings have been arranged.

The Company have already agreed to the following proposals (subject to Trustee agreement):

- Pre 97 contingency pension increases guaranteed up to March 31st 2024 • Bridging Pension Option maintained
- Partial Transfer Option • Unreduced Benefit underpin for Death in Service/Medical Early Retirement (MER) until 31st December 2023
- The Trustee and Company have agreed to guarantee that a Share of Fund Transfer Value (SoFTV) - calculated as at 31 December 2020 - will be available for eligible members who leave employment on or before 31 March 2021

**Some progress has also been made on:**

- Members leaving on voluntary severance (VS) or compulsory redundancy (CR) in 2020 are included in future enhancements. The Company will discuss with the Trustee any members leaving on VS or CR in 2021.

**To date no progress has been made on:**

- Improving the terms of the Rolls-Royce Retirement Savings Trust, Defined Contribution (DC) arrangements.

The Pensions CNC have told the Company that in future discussions the priorities are:

- An improved structure of the Defined Contribution (DC) Scheme for all employees and minimising the effect on the expected retirement savings for members in the Rolls-Royce UK Pension Fund, Defined Benefit (DB) pension scheme. That is why it is vital to have the correct structure for the future DC scheme.
- A 5% uplift on DB pension built up to December 31st 2020 (Works & Staff employees only). The Pensions CNC is asking for parity with what our management DB members received in January 2020.
- Early retirement factors protected – Employed members post 31st December 2020 to be classed as "Active Deferred" and apply appropriate "with consent retirement factors" on retiring from active service post closure. The Pensions CNC is again simply asking for parity.
- Share of Fund Transfer Values [SOFTVs] maintained from age 50 or 55 as per rules of legacy schemes and transferable to alternative DC arrangement whilst remaining an "Active Deferred".

The Pensions CNC completely agrees with the Director for Total Reward that there should not be a two-tier system.

**3. Strategic Review**

Several meetings have taken place. The first three discussed the communications already announced with the half year results, which are now under local consultation. As a reminder:

- Proposed closure of the plant at Crosspointe (USA). Work would come back to the UK - Rotatives (Discs) to transfer to Washington (UK) and Turbines (Blades) to transfer to Derby.
- Proposed closure of the plant at Annesley. Work would transfer to Discs and Drums in Derby and Oberursel (Germany)
- Proposal to cease large engine build in SATU (Singapore) with the work transferred to Derby
- Proposed consolidation of Wide Core Fan blades with the transfer of Trent XWB blades moving from Barnoldswick to Seletar (Singapore).

Please note the National TU Group (Civil) sub-committee have been made to sign a Non-Disclosure Agreement (NDA) regarding the discussion of proposals beyond those already announced and we are therefore unable to communicate any further on these issues at this time.

We would specifically like to highlight the current situation at Barnoldswick. Following the company's latest betrayal of the workforce (after 5 years of constant downsizing with over 50% of the workforce gone, many broken promises, failure to bring in replacement work for that offloaded and even changing terms and conditions) the membership feel they are left with no other course of action other than to ballot for industrial action in order to try to protect jobs. The company's continued reductions of the manual workforce only serves to place more financial pressure on what is left and makes the site less competitive with every decision they take.

The National TU Group are fully supportive of the Barnoldswick workforce in their struggle and support their request for financial assistance from the Rolls Royce dispute fund, in the event it becomes necessary. See Appendix 2 for more details on the Barnoldswick campaign.

**4. End of Furlough Phase 3**

There are ongoing issues with salary in relation to furlough payments. The National TU Group have requested a meeting with the Company to try to address these concerns.

Last month the government announced its latest plan to try to protect jobs from the end of October when the current furlough scheme comes to an end. Although the government reiterated that furlough was ending, it also announced the Job Support Scheme (JSS) to support viable UK employers who face lower demand due to COVID19 and retain their employees.

We have this week met with the Company to explore how we best utilise any support that is available to try to protect jobs. It is important to note that the rules surrounding the JSS are not the same as furlough and at present are not entirely clear.

This discussion will also include:

- Understand future load demand • Shorter working week/reduced hours working • Working from Home • Flexible working • Holidays/shutdowns • Rotation • Additional Hours

These discussions may result in having to take further difficult decisions on a temporary basis to support the current financial status of the Company and protect long term employment. There may be a suite of options that may apply differently across the business.

If we can reach agreement on any of these issues, then we will provide further updates in due course all of which will be covered by the temporary collective agreement which we informed you of in the previous newsletter. Please note any changes that are to be applied beyond March 2021 will require agreement via a ballot of affected members.

**5. Health & Safety**

As track, trace and testing becomes more widespread we are seeing an increasing number of employees with positive test results.

The Company have issued updated guidance for managers on how to deal with positive cases within the workplace. We will review this new guidance and will provide feedback to the Company on its contents.

Irrespective of this guidance one important aspect that has been not been addressed (which the National TU Group raised a number of weeks ago) is the financial inequality of how employees are treated for those unable to work from home whilst self-isolating, the majority of which are shift workers who under Covid-19 self-isolating rules who lose their shift premium.

We do not want any financial impact to be a barrier to people self-isolating thus placing other employees at increased risk and the possibility of workplace shutdowns.

Following the last newsletter, we continue to remain concerned and remind everyone that it is imperative we maintain adherence to social distancing and compliance to all safety measures put in place.

Finally, remember that the only source of truth is through these newsletters and we thank you for your continued support.

**All previous newsletters can be found at the following link:**

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https://www.gmb.org.uk/network/manufacturing-section/rolls-royce-noticeboard

**Appendix 1**

**Approved Independent Financial Advisor Charges**

The cost of the advice that's been negotiated with WPSA is currently £500 plus VAT for providing a written personal advice report, plus an additional £125 plus VAT to implement a transfer out of the Fund and establish your benefits in an arrangement to suit your personal circumstances (e.g. annuity or a drawdown arrangement).

However, WPS may charge additional fees over and above the negotiated cost as detailed above where your circumstances are more complex, for example where you have a complex tax situation; have lifetime allowance issues or have specific drawdown requirements. Any such request is individually priced and WPSA will clarify the fee before undertaking any such work. All fees are charged on a fixed fee basis rather than commission to ensure transparency.

There are certain more complex member circumstances which are more common to our Fund members and these are summarised below with a price range to give clarity on cost.

- Advice for a Defined Benefit (DB) Pension scheme (non-RR) – ranges from £3,000 - £5,000 depending on complexity
- Advice for a Defined Contribution (DC) Pension scheme (RR service related) - £300 plus £125 if member transacts unless being reviewed and transferred as part of the review of the RR DB Scheme where there is no additional fee
- Advice for DC Pension Scheme (not RR service related) - £750 - £1,000 per DC plan but discounted, if 3 or more reviewed at the same time

If preferred, you can of course use your own adviser but please note that where an adviser charges a percentage of the overall transfer value this can amount to substantially increased fees when compared to WPS fees quoted above.

If you are using your own advisers, we would suggest you review the proposed charges and fee structure of any financial advisers especially in the wake of the changes introduced at the beginning of October banning contingency fees.

**Appendix 2**

**Battle for Barnoldswick**

Link to on-line petition to both Rolls-Royce and the UK Government to save the Barnoldswick site:
https://www.megaphone.org.uk/petitions/save-our-site-battle-for-barnoldswick-rolls-royce

Link to a powerful video about the history and importance of the Barnoldswick site which has been put together by past and present Rolls-Royce workers and the local community:
https://youtu.be/Q5FHsCED6l8

**Date: 07/09/2020**

Dear GMB Member,

**1 Update**

Yet again we have a lot of information to communicate, so apologies for the length of this newsletter. **To access the appendix document referenced in this update please click** here

Firstly, the Company have registered concerns as to the content and tone of our newsletters. We make no apology for them - they are factual. It seems we have some rather sensitive leaders who like to dictate but can't take criticism, even if it is the truth.

The half year results have shown what dire straits we are in. We have always acknowledged how serious the situation is and why we have had to take some difficult decisions - there be many more to be taken over the coming months, possibly years.

The results show the Company have saved £350m. This should have been significantly more. We previously reported our dismay at paying the 2019 bonus which would have resulted in another £100m saving and their reluctance to maximise furlough across all categories of employees, which would have resulted in tens of millions more savings.

Sebastian Resch - Operations Director, Civil Aerospace and the main architect of the Company's plans - made the comment that we need to 'cut our cost structure by £1.3bn'. What will be interesting to see is how much 'consolidation' will take place concerning to the 87 Executive positions, many of whom who sit at home dictating their mandate at a cost of £42m per year.

Whilst we are on the subject of Company finances we note the announcement of our departing Chief Financial Officer, Mr Daintith, who has clearly decided it is time to jump ship (or perhaps more appropriately don the parachute to land in greener pastures) with the prospect of another golden hello, despite only being with our Company for just over three years. It says it all doesn't it.

**2 Furlough & Working from Home**

We have registered our concerns that there has also been a serious lack of attention given to the mental health of those on long term furlough (who have the added financial pressure) and/or those working from home who may not have the appropriate facilities or environment.

We have requested on numerous occasions that the internal information around mental health and the Employee Assistance Program (EAP) on Engine Room is made available on the external Rolls-Royce website. We are still awaiting confirmation that this has taken place, despite receiving assurances it would happen.

Another outstanding issue to be agreed is a monitor-and-review process on the fair and equitable application of rotation, not only for those on furlough but those working from home as well. We remain suspicious as to what plans the Company have for those roles that have proven can be effectively worked from home.

It seems there have been several discussions between managers and employees taking place at some sites concerning employee holidays and shutdowns. At a national level the only feedback given to date is they are 'in discussions' and they have still not reached any conclusions.

We have yet to enter discussions on reduced hours working/shorter working week beyond furlough Phase 3, which we believe is both inevitable and necessary, and will be needed in a number of areas for some considerable time to protect jobs and the future of the Company.

The Company communications from 14th August 2020 created the illusion they were willing to discuss a shorter working week at Barnoldswick. However, with last week's announcement that they are planning to transfer most of the Barnoldswick Fan blade work to Singapore, it is clear that the discussions we had in August, were nothing more than a sham as they obviously knew they were planning further cuts.

**3 Headcount Reductions**

Sadly, in Phase 1 we have finished up with approximately 100 + compulsory redundancies. This is a moving picture with national pooling still taking place, with the main areas being Inchinnan and Barnoldswick.

However, let's be honest, at Inchinnan MRO it was in fact 525 compulsories and please be aware that the Barnoldswick figure does not include any numbers as a result of the announcement on 26th August. Despite telling the site they were moving the work, they failed to inform the workforce the amount of jobs that are too be exported as a result.

We have been clear that the Company should always maximise voluntary severance in the first instance, so it is very disappointing that the Company-controlled VS Decline number currently stands at 65. 113 applications are pending, 92 of which are in Turbines. We have asked the Company for these declines to be monitored and reviewed on an on-going basis and we are awaiting further discussions on how we deal with Phase 2 VS applications and expression of interests.

We were recently informed that some engineering areas are once again trying to ramp up the use of managed services to fill the gaps left by the headcount reductions, knowing full well there are several hundred more reductions to come in Phase 2. It is totally unacceptable to outsource and export this work whilst the threat of compulsory redundancies is on the table. We have yet to finalise the control measures and review process related to Managed Services

**4 Collective Agreements/MOUs**

We are sure you are all aware we have been working as a temporary appointed National TU Group for a number of months now. It was agreed nationally it would be the responsibility of the Group to negotiate and formulate where required changes to some of our agreements whether they be temporary or permanent.

We have several agreements to formalise and sign; • Temporary COVID Redundancy Agreement (December 31st 2021) • Temporary Collective Agreement (covers temporary T&Cs changes implemented in relation to furlough phases, shift changes and pay deferment) • National Trade Union Constitution (required no later than end of September 2020) • Managed Services MOU • Package Principles Agreement (covers, Pay freeze 2021, Productivity/Efficiency, Core Workforce, New Starter Rates, etc) • National Redundancy Agreement (2022 onwards) • Pension Agreement (CNC).

We have addressed the following issues from our last newsletter; • The Ross Ceramics issue with voluntary and compulsory terms has been resolved • All VS and Compulsory leavers will receive their contractual weeks in lieu of notice paid • Rundown payments at Inchinnan as previously agreed • Ensured Company clarified its Share of Fund (SOFTVS) availability for those leaving in 2020 and taking their options next year • We requested and now have a pay slip descriptor for all the deductions/paybacks being applied so people can at least understand what they are even though they may not be correctly applied.

**5 Strategic Review – Phase 2**

We have always recognised situation the Company are in and have always been willing to 'work together' to find solutions going forward. But as you know yourselves, this has not always been possible.

From arguing to force a shutdown of facilities to make them safe while the leaders priority was communicating the virtues of working from home, to unilaterally giving notice of binning our agreements - and we have many more examples.

Every day for the last six months has been a dog fight with management and continues to be so, who believe they can do whatever they like, whilst disregarding the views of your representatives.

On the 26th August the Company afforded us 'one whole hour' with Sebastian Resch who presented **extremely limited information** on their plans (we do not believe these are just proposals). They deliberately evaded answering direct questions that were posed to them. Thirty minutes later they briefed the affected sites, however the briefing at Barnoldswick presented different information to that given to the national team! The following day the Company communicated its half year results and footprint consolidation plans to the city.

They presented only a few specific elements; • Closure of the Crosspointe facility in the US and consolidation of the discs and HP turbine blades into Washington and Derby (announced prior to the meeting) • Transition and consolidation of widebody engine assembly & test to Derby from SATU (Singapore) • Outsourcing and consolidating Fan blades from Barnoldswick to Singapore • Closure of Annesley Site and consolidation to Derby & Oberursel.

At no time did they provide the business case for these decisions nor any indication of the number employees impacted by these announcements creating further uncertainty and anxiety at these affected sites.

Sebastian Resch then went on to state the Company's plans will be ongoing for the next 3 to 5 years' under the following three pillars; • Consolidation of Footprint • Make/Buy (Outsourcing to Supply Chain) • Joint Ventures with 3rd parties (TUPE & Outsourcing).

At the meeting we stated that footprint consolidation proposals surely need to be consulted as a whole package. Be under no illusions their intention is to inflict death by a thousand cuts and we believe the Company have formulated their plans but are unwilling to share any of those details.

This might be RR's interpretation of consultation and it was made very clear to us again that the Company have no intention to meaningfully consult. The reasons they gave for this is their lack of trust, their dislike of our factual responses and the direct tone of our newsletters.

To be clear, if these consultancy driven plans are implemented **every** civil site left in the UK will be affected, including those perceived as benefiting from these announcements. Sites will be assessed against a Company Productivity/Efficiency matrix. Some of you may remember the disastrous 'blueprint' (terms & Conditions) initiative a few years ago. Yes, it does still exist. We have not seen the modern version yet but it's there waiting to be slapped on the table, with no doubt the threat of "it's this or your work goes"!

We understand the current load issues and its relation to employee numbers, but we are now in a situation that the executive are executing their long term strategic plans. History and experience tells us that on numerous occasions they have got it badly wrong to the financial detriment to the Company and UK jobs.

We cannot just accept **their** plans and continue to be dictated to. We cannot just accept death by a thousand cuts, never knowing who is next and slicing people's legs from under them, along with the simultaneous attack on people's pensions (including the removal of Share of Fund).

It's worth pointing out the ethical concerns relating to 'double standards' by the Company. The National TU Group maintain we had reached **agreement** to pay Share of Fund for those leaving on VR and CR as part of the Covid redundancy agreement (applicable to the end of 2021). However, the Company pension announcements have stated that they are not prepared to guarantee SoFTVs for anyone leaving in 2021/22. This is unacceptable and includes factories where closure or further reductions have been announced before the end of 2021 but won't close or reduce until after 2021.

We informed the Company the two points above would form the terms of reference to a Failure to Agree (FTA). The Company proposed meetings to discuss, to try to avoid a further deterioration in relationships.

Yesterday we had a follow up meeting with Sebastian Resch to address our concerns regarding the lack of meaningful consultation. We had open discussions concerning the lack of trust and participation, but it was clear we have one common goal to ensure we have a Company in the future. With this foremost in our minds, we have agreed in good faith to pursue a more collaborative way forward to engage in the strategic review.

Clearly, we will not be able to communicate some of the information directly and may be subject to a non-disclosure agreement, but we do recognise we need to work at pace to turn 'what ifs' into firm and meaningful proposals. Be under no illusion - as we have said manty times - we will have difficult decisions to make to ensure we do have a company.

We will also shortly be reviewing the Consultation Workstream Framework to take account of the consequences of Phase 2 and all its connotations including package principles.

Yesterday after discussions with Joel Griffin (Head of Reward) to address our concerns regarding the removal of SoFTVs aligned to the redundancy agreement, he provided the following statement we can share with you;

"Over the coming weeks it is our intention to seek agreement from the Trustee to enable us to meet the commitments already made in respect of SoFTVs for employees impacted by VS and compulsory redundancy in 2020 and 2021. NB, The proposals made in respect of the closure to future accrual are all under consultation are all subject to ongoing discussion until such time as a final decision is made by the Company and agreement is reached with the Trustee on a Rule amendment.

You will appreciate that the terms of the SoFTV requires the agreement of the Company and the Trustee and there is a lot of focus on this aspect of the RRUKPF at the moment. The Trustee is scheduled to meeting on 16 and 17 September, including a dedicated session focussing on member retirement options. This would be an opportune time for us to raise the question as to whether or not the Trustee would support the delivery of SoFTVs during 2021 for members impacted by redundancy. I understand that the Trustee is considering the topic of retirement and transfer terms more broadly given the high number of members transferring out." We will wait for the outcome of the discussions between the Company and the Trustees at the meeting on the 17th September.

**6 Pensions**

As we have consistently stated, we acknowledge the exceptional circumstances the Company is in. Therefore, to ensure and secure a Company for future gen