

Unions comment on British Steel breaththrough



The Steel Committee has been meeting with Jingye representatives to discuss their business plan and in particular their proposals relating to employment.

As British Steel is in liquidation any new owner could just offer new contracts with statutory minimum terms & conditions. There is no legal obligation to do more, nor to consult on any changes. These talks also took place in the context of the Special.

Managers having made it clear that there will not be another sales process for the whole business if the Jingye deal does not complete. British Steel would be broken up and sold in parts.



Importantly, the employment package is also in the context of Jingye's £1.2 billion investment plan. We have seen the detail and this investment would transform the business and secure the future of British Steel.

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– GMB Union (@GMB_union) May 22, 2019

Over the past ten days there have been detailed discussions and a lot of back and forth between the unions and Jingye but we have reached a point where there is an outcome regarding employee pay, terms and conditions. These discussions have been extremely challenging but with British Steel in liquidation it is clear that if the business is to survive change is required.

Yesterday senior union reps from across the business unanimously endorsed the package in principle as part of the overall business and investment plan. Full details of Jingye's proposals are now being drawn up.

As was widely expected, Jingye also intend to reduce overall headcount. This could be by up to 500 jobs, though significant numbers have recently left the business, and will be subject to ongoing detailed discussion at departmental level. This is not something that the unions could endorse and we have made the argument that the business needs to ensure the plant can be run efficiently and safely.

We have consistently advised that for the sale to complete and for the business to be successful under new ownership, retaining high quality jobs with good terms and conditions would be vital.





Therefore, we felt it was important that the unions engaged fully to shape Jingye's proposals on the employment package. The unions adopted a number of principles through the discussions. Key points being ensuring any changes do not disproportionately affect employees differently, protecting shift premia and avoiding reductions in regular take home pay. We believe we have secured a broadly positive outcome on each of these points.

The sale to Jingye is now firmly in sight and we would encourage all stakeholders in the business to focus on reaching a positive conclusion.

Ross Murdoch, National Officer for GMB, said:

"In endorsing this package in principle, the trade unions believe they have struck the right balance between delivering cost savings and maintaining jobs with decent terms and conditions to drive the new business forward. It also includes a positive and innovative business plan for the future, which hopefully will secure employment for many years going forward."

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