At the Rover car company

British unions accept 2,500 job losses and flexible contracts

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2 December 1998

The Rover car company and its unions have agreed to the sacking of thousands of workers and drastic changes in working practices at its UK plants. All of Rover's 39,000 British employees will vote on the deal later this week.

On November 27 the two sides issued a joint statement that read: 'The Rover group and trade unions have reached an agreement in principle on key issues surrounding agreed cost savings and working time flexibility.' Spokesmen predict that 2,500 jobs will be shed at the Longbridge manufacturing complex, but the figure has yet to be finalised.

In October, Rover's parent company, the German carmaker BMW, announced that it was halting investment of up to £1.7 billion pending an agreement on job cuts, productivity increases and the introduction of 'Continental' methods of working. The threat included possibly halting the production of the new Mini car at the Longbridge site in Birmingham, the biggest auto plant in the UK. BMW said that savings of £150 million a year were necessary if its operations in the UK were to survive, and threatened the plant with closure and the loss of all 13,000 jobs unless the changes were accepted. The company issued a deadline of November 30 for an agreement to be reached.

As well as the job losses, the agreement proposes a new 'working time account'. This means employees working extra hours at times of peak production, which would then be 'banked' to be used for holidays at a future unspecified date when production is slack. Others aspects of the deal include ending overtime bonus payments and making Saturday a normal working day without overtime pay.

Senior shop stewards from the Transport and General Workers Union and the Manufacturing, Science and Finance Union voted unanimously to recommend the deal on November 27. It will be put to Rover's 150 shop floor stewards this week. Workers at the plant will then be asked to vote on it.

The final part of the negotiations were completed in Germany on November 26 at BMW's headquarters in Munich with company representatives, including Chairman Bernd Pischetsrieder. BMW's board is to discuss and ratify the agreement on December 2. During the negotiations, which not only encompassed Rover's Longbridge factory but also its operations in Solihull, Oxford and Swindon, the company threatened that jobs at these plants could also be lost.

Rover spokesman Vincent Hammersley warned on November 22, 'If you want to look at the country in the world least inviting for inward investment, you would have to go some way to beat England.' He added that the new Range Rover model, due for production in 2001, could be built outside the UK unless the 11,000 workers at Solihull, Birmingham accept flexible working contracts. 'We could build it anywhere in the world that builds cars,' he concluded.

Tony Woodley, the Transport and General Workers Union motor industry negotiator said, 'We believe this is a good deal for the company and a good deal for the workers.'

Roger Lyons, the General Secretary of the Manufacturing, Science and Finance Union, also endorsed the job losses. 'The negotiations have been difficult, but this deal is essential to save not just Longbridge but a large part of the West Midlands economy,' he said.

Previously, following the axing of 1,500 jobs at

Rover in July, Woodley commented, 'We have to be pragmatic. There are genuine difficulties and trying circumstances. We have got to give assistance, as every responsible trade union would.'

Rover is now expected to press for government financial support of £200 million in order to develop its investment programme. An unknown number of Rover managers also face losing their jobs, as BMW management is sending 120 supervisors from its world-wide operations into England to push up productivity levels and meet the year 2000 deadline set by BMW CEO Pischetsrieder to make Rover profitable again.

See Also:

The 1998 General Motors Strike in the US