Rolls-Royce Motor Cars gives factory workers pay award of up to 17.6% to avert strikes

Workers at Rolls-Royce Motor Cars' Goodwood factory are to receive a pay award worth up to 17.6% after negotiations between the luxury automaker and Unite the union.

In all, 1,200 production workers at the West Sussex plant are to receive a salary boost of 10% and a one-off payment of £2,000 from January, avoiding the prospect of industrial action.

For the average blue collar worker, the salary rise and separate award equate to a hike of 16%, though production line workers on the lowest rate of pay at the plant will benefit to the tune of 17.6%.

A typical worker's pay will increase by £2,972, notwithstanding the one-off payment.

Taken together, the increases are far above the annual rate of inflation, which stood at 10.7% in November, according to the Office for National Statistics.

Sharon Graham, general secretary of Unite, described it as the best pay deal since the site opened.

Agreement was reached between the two sides after union members had voted to take industrial action if a pay rise in line with the cost of living was not forthcoming.

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As the cost of living increases and official <u>figures show</u> wage growth has lagged behind inflation — resulting in a real terms pay cut — more than a dozen workforces are <u>striking across the</u> <u>UK</u>.

Public sector workers, including nurses, ambulance drivers and teachers, are staging walkouts, the same workers whose pay has increased 2.7% in the three months up to October compared to 6.9% in the private sector over the same time period, ONS figures showed.

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Another private sector workforce secured a win this week, when Heathrow ground handling staff, employed by Menzies, <u>called</u> off their strike after a larger pay offer was presented.

Andrew Bailey, the governor of the Bank of England, <u>warned</u> <u>yesterday</u> that private sector pay rises were overshooting expectations, which could stoke inflation.

"I think what we've seen recently is that the <u>earnings</u> <u>numbers</u>, particularly in the private sector, are coming out a bit above what we thought they would be," Mr Bailey said.

"Not a lot above, I don't want to put to much emphasis on the scale of the, in a sense, the overshoot, but they are coming out a bit above where we thought they'd be."

Rolls-Royce said: "In the course of our normal pay negotiations process, Rolls-Royce Motor Cars was pleased that Unite the Union supported and recommended a positive pay deal.

"We can confirm that a pay rise of 10% will be awarded to all those covered by our collective bargaining agreement from January 2023.

"Negotiations were cordial and constructive throughout."