



### Executive Council report June 2018

**The following report is a personal account of the meeting and should not be considered to be the formal minutes of the meeting.**

The minutes of the Executive Council which was held on 5<sup>th</sup>, 6<sup>t</sup> & 7<sup>th</sup> March 2018 (Document No3) were agreed.

The minutes of the Finance & General Purposes Committee held on 18<sup>th</sup> January 2018 (Document No 4A) were agreed.

The minutes of the Finance & General Purposes Committee held on 5<sup>th</sup> February 2018 (Document No 4B) were agreed.

### Report of the General Secretary – (Document No 5)

Activities of the General Secretary for the period since the Executive Council meeting of March 2018

#### Public Meetings and General Events

- Attended TUC Executive and General Council.

#### Political, International and Inter-Trade Union Matters

- Meeting with Andrew Murray, CoS and Pauline Doyle, DoC to discuss Brexit and the Customs Union.
- Meeting with Imelda Daza, VP Candidate for Farc Political Party, Columbia.
- Attended National TULO meeting.
- Meeting with the US Embassy's Counselor for Political Affairs, Tom Williams with Steve Turner, AGS.
- Meeting with Peter Mason and Colleagues, JLM. In attendance were Andrew Murray, CoS and Gail Cartmail, AGS.
- Meeting with JVL with Andrew Murray, CoS and Gail Cartmail, AGS.
- Meeting with Anneliese Midgley, Political Director; Andrew Murray, CoS; and Steve Turner, AGS re: Labour Party issues including Wales.
- Meeting with Anneliese Midgley, Political Director and Andrew Murray, CoS re: Labour Party matters.
- Meeting with Bruce Raynor and Andrew Stern.
- Meeting with Bruce Raynor and Florian Almeling, KPS.
- Meeting with Jon Lansman, Momentum.
- Meeting with Frances O'Grady, GS, TUC.
- Attended ITF Management Committee and ITF Executive Board.
- Meeting with Jennie Formby, GS Labour Party.



- Meeting with Joe O’Flynn, SIPTU, and Jackie Pollock, Regional Secretary – Belfast.
- Meeting with Peter Kavanagh, RS, and Danny Freeman, Political Officer re: Lewisham East.

#### Administrative and Organisational Issues

- Meeting with Jimmy Kelly - Waterford.
- Meeting with Diana Holland AGS; Matt Draper, NO, and Adrian Jones, NO, re: Agencies.
- 1:1s with Sharon Graham, EO.
- Meeting with Andrew Murray, CoS; and Pauline Doyle, DoC, re: media bids.
- Meeting with Pauline Doyle, DoC, and Anneliese Midgley, Political Director re: Labour Live.
- Meeting with Diana Holland, AGS; Tony Burke, AGS; Gail Cartmail, AGS, and Sharon Graham, EO re: NOs strategy to contribute to the 5%.
- Meeting re: Regional Officers with Barbara Kielim, HR and Andrew Murray, CoS.
- Meeting with Gail Cartmail, AGS re: former UCATT Officers grievance.
- Meeting with Ian Methven, RO, and Mike Eatwell, RO, re: former UCATT Officers grievance.
- Meeting with Mike Eatwell, RO; Ian Methven, RO; Pat Breslin, RO, and Dave Weeks, RO re: SE grievance.
- Meeting with Jennie Formby, RS.
- Meeting with Brendan Ogle, RO.
- Meeting with Ian Woodland, RO.
- Attended Rodney Bickerstaffe Memorial.
- Attended FDA NISC.
- Meeting with Alex Ryan, Pensions Manager and Ed Sabisky, DoF re: pensions.
- Meeting with Barbara Kielim, HR, re: HR matters.
- Meeting with Barbara Kielim HR; Andrew Murray CoS, Howard Becket AGS; Sharon Graham, EO re: Department Integration.
- Meeting with Andrew Murray CoS, re: direct mail.
- Meeting with Geoff Shears USI, Howard Beckett AGS, Steve Turner AGS, and Mahdi Yaya re: Digital Comms.
- Meeting with Digital Working Group.
- Meeting with Digital Working Group and Mahdi Yaya.
- Digital briefing meeting for GS.
- Follow up meeting with RSs.
- Meeting with Andrew Murray, CoS, and Directors re: CO reorganisation.
- Meeting re: sickness absence with Staff, Officers and Organisers representatives.
- Meeting with Tom Doherty, EAD Solicitors.

#### Constitutional Committees and Industrial Matters

- Meeting with Adrian Weir Assistant CoS; Andrew Murray, CoS, Ed Sabisky, DoF; and Tony Woodhouse, Chair, re: Policy Conference Motions.



- Meeting re: Policy Conference Motions with Andrew Murray, CoS; AGSs, CoS, John Earls, Head of Research, Ed Sabisky, DoF, Pauline Doyle, Director of Comms and Adrian Weir, Deputy CoS.
- Additional meeting with Andrew Murray, CoS; Pauline Doyle, Director of Comms, Anneliese Midgley, Political Director, Steve Turner, AGS and Irene Dykes, Head of Admin re: Policy Conference and Fringes.
- Meeting with Sharon Graham, EO, re: Crane Drivers Update.
- Meeting with Sharon Graham, EO, re: BEIS update and resource.
- Meeting with Sharon Graham, EO and Louisa Bull, NO, re: Fujitsu.
- Meeting with Mr Tavares, PSA; Mr Chereau; PSA; and Mr Lohscheller, PSA with John Cooper, Convenor; and Gary Reay, Plant Convenor at Vauxhall Luton.
- Meeting with Gerry Bates, Business Director, Synchro.
- Meeting with Andy Green, Executive re: IDC.
- Meeting with BMW -Mr Schoch and colleagues Dr. P Cammerer; T Becker; M Wachtmeister; S Sargeant D Elson with Tony Burke, AGS.
- Meeting with Mick Cash, RMT, Mick Lynch, RMT, Diana Holland, AGS, re: RATP Dev Quality Line – Epsom site.
- Telephone conference with Andrew Griffiths, BEIS, re: Sainsburys/Asda.
- Meeting and telephone call with Mike Coupe, Sainsburys.
- Meeting with Jon Hettrick and Mark Jenkins of Kuehne& Nagel, and Mark Draper, NO.
- JLR Meeting.
- Telephone conference with Steve Turner, AGS; Jim Hoffa, Teamsters; and Steve Cotton ITF re: National Express.
- Nissan Meeting
- North East Construction meeting with Karen Reay, Regional Secretary, Bernard McAulay, NO, and Steve Cason, RO.
- Telephone conference with Jackie Pollock, RS re: Crane Drivers Strike.
- Meeting with Peter Kavanagh, RS, and Dennis Wilson, Senior Steward, re: KNDL.

#### Principal Speaking Appearances

- London May Day march.
- Spoke at Doncaster May Day.
- Spoke at Chesterfield May Day.
- Spoke at TUC New Deal for Working People March and Rally.
- The following short films:
  - Join Unite.
  - Solidarity message to Los Mineros.
  - TGI Friday support.
  - Vote Labour message.
  - TUC March on 12 May.

#### Principal Media Appearances

- Interview with John Pienaar, BBC TV News, re: UK Politics.



- Article for New Statesman.
- Pienaar's Politics interview, Radio 5 live.
- Filming for Radio 4 commentary on Jeremy Corbyn at Millbank.
- Periscope Productions Video interview re: Union's support for the Good Samaritans Album Project.
- Peston on Sunday, ITV.

## **STRATEGY FOR GROWTH - NATIONAL ORGANISING & LEVERAGE DEPARTMENT- Sharon Graham (Document 6)**

### Overview

#### *Broad Industrial Strategy (Work, Voice & Pay)*

- *WVP Industrial Toolkit*
  - 8,283 shop stewards and officers have logged into the Pay Claim Generator
  - 3,871 new pay claims have been generated from the Pay Claim Generator
  - Plans for Advanced Pay Claims and a new online tool
- *5% Growth Target (extending 100% UNITE)*
  - 2,806 net gain in first quarter 2018
  - Direct Debit leavers' analysis

#### *Automation*

- *21<sup>st</sup> Century Workplace Manifesto*
  - Workshops see strong desire for a 21<sup>st</sup> Century Workplace Manifesto led by Unite as the workers' voice
- *Activist Consultation*
  - Executive Officer presentations to constitutional committees almost complete

#### *New Report: The Gig Economy, Insecure Non-Permanent Employment and Outsourcing*

- *Key Findings*
  - 4% of the labour force is engaged in the 'Gig Economy'



- Over 20% of the UK workforce is either Insecure Non-Permanent or Outsourced

- *Top Unite Employers – Industrial pace setting*
  - Identified by Sector and presented in one document for the first time.

#### *Sector Organising*

- *New Unite members*
  - 10,381 new members have come via the Energy and Construction campaigns
- *Sector Construction Campaign wins*
  - 17 Local Authorities sign Unite Construction Charter
  - Access agreements and protocols signed for many target construction sites

#### Broad Industrial Strategy (Work, Voice & Pay)

##### Work, Voice & Pay (WVP) Industrial Toolkit

Shop Stewards, Officials and Organisers continue to utilise the industrial tools contained within the Work, Voice & Pay section of the website.

##### Work, Voice & Pay website use since last EC (16/02/18 – 25/05/18)

- 23,275 page views.
- 17,459 unique page views.

##### Pay Claim Generator use since the last EC (16/02/18 - 25/05/18):

- 8,283 Shop Stewards/Reps and Officers/Organisers have logged on.
- 2,171 Pay Claims Generated.
- 3,871 generated overall, since launched in February

The new Pay Claim Generator has proved to be popular with workplace activists in particular. Shop Stewards from every applicable industrial Sector and Region (all those outside the public sector and Ireland) have downloaded pay claims for upcoming negotiations.

In addition to increases in pay, the 'Heads of Claim' submitted by workplace activists have covered a wide variety of bargaining issues, including:



- Improvements to; Hours & Holidays, Pensions, Shift Pay
- Demands for Agreements on; New Technology, Agency Working, Facilities

The team continue to work to improve the PCG, with several live updates having taken place in the last quarter. We have also been working to improve the availability of up-to-date information for Unite Shop Stewards / Reps employed in not-for-profit. We are also continuing to look at suitable options for Ireland and remain open to ideas for the public sector.

Further to the success of the PCG we are developing proposals for Advanced Pay Claims (using professional researchers to assist). Additional content being considered includes:

- Comprehensive financial analysis, including for global parent company.
- Tax and subsidiary investigation.
- Bespoke, professionally researched content for other claim items.

In addition, the team is now developing a supplementary digital tool that will allow Shop Stewards to find relevant information on their employer in seconds. Coupled with the research on Top Employers contained within our new Report into Insecure Non-Permanent Employment and Outsourcing, our Shop Stewards are now able to access a growing number of tools focussed on collective bargaining.

Both developments are in line with the Department's wider strategy of increasing the level and quality of information available to activists and in so doing help enable greater planning and co-ordination of industrial activity. Longer term we are moving towards comprehensive industrial research for each Sector. Building on our new research on Top Employers (see appendix 1), next steps will include; identifying agencies and site-by-site profiles for the Top 5 in each Sector.

#### Pay Anniversary Dates

Progress of Regions in supplying Anniversary Dates for workplaces (where the employer has 10 or more members nationally):

	Workplace Codes	Not Populated	Populated	% Populated
WM	2,893	125	2,768	95.68%
SE	3,043	195	2,848	93.59%
WA	1,778	116	1,662	93.48%
NW	4,291	314	3,977	92.68%
SW	3,143	241	2,902	92.33%
SC	3,662	493	3,169	86.54%
NEY&H	3,712	530	3,182	85.72%



IR	1,123	220	903	80.41%
EM	1,158	277	881	76.08%
LE	7,526	1845	5,681	75.48%
Total	32,329	4,356	27,973	86.53%

5% Growth Target (extending 100% UNITE)

The Executive Officer is pleased to report that for the first time since 2013, the Union has recorded growth across a complete quarter of the calendar year. As of 27<sup>th</sup> April, the Union had grown by a total of 2,807 members when compared to 31<sup>st</sup> December 2017.

In addition to aggregate information by Sector, the Tables that follow also show:

- Net change in paying membership by Region
- Net change in paying membership by Sector
- Overall net changes by week

It should be noted that growth has been achieved against the background of closures and job losses amongst the membership.

WVP All Allocation by Region (as of 27/04/2018)

	W/P	Officer	YE Pay Mems	Current Mems	Paying Mems	Joined TM	Joined TY	Left TY	Change	Change %
SE	13,378	26	90,116	106,308	90,870	865	4,058	-3,304	754	0.84%
WM	10,474	31	111,562	129,828	112,392	812	4,284	-3,454	830	0.74%
WA	6,411	25	65,164	78,617	65,612	372	2,094	-1,646	448	0.69%
IR	4,036	25	55,094	61,852	55,415	548	2,636	-2,315	321	0.58%
SW	11,447	32	84,698	99,246	85,110	790	3,618	-3,206	412	0.49%
EM	77,727	27	73,678	85,110	73,907	710	3,115	-2,886	229	0.31%
NE	12,941	40	130,505	158,019	130,846	1,119	5,082	-4,741	341	0.26%
NW	15,263	54	159,568	189,980	159,715	1,202	5,583	-5,436	147	0.09%
SC	10,909	41	119,670	134,027	119,774	1,027	4,649	-4,545	104	0.09%
LE	26,328	84	228,366	263,166	227,650	1,824	9,558	-10,274	-716	-0.31%
Total	188,914	385	1,118,421	1,306,153	1,121,291	9,269	44,677	-41,807	2,870	0.26%

Net Change in Paying Membership by Sector (as at 27/04/2018)

Sector	End 2017	Jan		Feb		Mar		Apr		Total
	Members	Members	Change	Members	Change	Members	Change	Members	Change	Change
FDA	69,913	70,424	511	70,619	195	68,478	-2,141	68,260	-218	-1,653



# Unite Alliance

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CPPT	45,370	45,602	232	45,676	74	43,803	-1,873	43,579	-224	-1,791
ENERGY	33,904	34,143	239	34,411	268	34,414	3	34,592	178	688
METALS	15,755	15,841	86	15,409	-432	1	-15,408	1	0	-15,754
AERO	63,889	64,119	230	64,174	55	63,083	-1,091	63,072	-11	-817
AUTO	82,185	82,569	384	82,668	99	81,101	-1,567	80,790	-311	-1,395
EMS	49,104	49,419	315	49,339	-80	60,894	11,555	60,402	-492	11,298
SI	39,926	40,763	837	40,954	191	44,757	3,803	44,461	-296	4,535
RTC	64,253	64,686	433	64,466	-220	61,283	-3,183	61,534	251	-2,719
DOCKS	16,936	17,050	114	17,017	-33	16,455	-562	16,463	8	-473
PASS	82,026	81,992	-34	81,948	-44	80,377	-1,571	80,166	-211	-1,860
CAT	60,128	60,538	410	60,662	124	59,963	-699	59,902	-61	-226
GPM-IT	40,177	40,322	145	40,653	331	38,008	-2,645	37,721	-287	-2,456
FINLEG	70,297	70,645	348	70,236	-409	69,999	-237	69,048	-951	-1,249
CYW-NFP	40,887	41,155	268	41,029	-126	42,681	1,652	42,723	42	1,836
CONS	80,464	79,678	-786	79,857	179	74,634	-5,223	73,638	-996	-6,826
LA	63,489	63,766	277	63,751	-15	62,776	-975	62,523	-253	-966
HEALTH	90,640	90,700	60	90,708	8	86,830	-3,878	86,924	94	-3,716
GDPC	10,584	10,643	59	10,630	-13	10,815	185	10,754	-61	170
ED	16,518	16,666	148	16,671	5	16,065	-606	16,077	12	-441
COM	13,992	14,082	90	14,078	-4	14,153	75	14,064	-89	72
UNK	7,324	7,456	132	7,387	-69	32,644	25,257	34,054	1,410	26,730
RET	60,660	60,832	172	60,733	-99	60,447	-286	60,543	96	-117
Total	1,118,421	1,123,091	4,670	1,123,076	-15	1,123,661	585	1,121,291	-2,370	2,870

NOTE: The Metals (inc Foundry) sector was merged with the Engineering and Manufacturing sector to create Engineering Manufacturing and Steel.

Overall WVP by Week (as of w/c 30/04/2018)

As promised, the Department has collated data on the Union's equalities paying membership below.

#### Equalities Paying Members

Region	Member	Female	BAEM	LGBT	Disabled	Young
EM	73,907	16,929	5,136	1,818	1,099	3,327
IR	55,415	15,294	628	1,383	310	1,911
LE	227,650	73,589	43,935	6,439	3,809	7,589
NE	130,846	30,499	4,342	2,242	1,883	5,715
NW	159,715	41,912	5,581	3,675	2,592	6,905
SC	119,774	33,758	1,423	2,703	1,269	5,516





SE	90,870	26,536	6,374	2,269	1,514	3,597
SW	85,110	22,214	2,772	1,277	1,365	3,430
WA	65,612	14,037	1,051	1,587	872	2,757
WM	112,392	26,051	14,161	2,733	1,621	5,103
Total	1,121,291	300,819	85,403	26,126	16,334	45,850

The department has also collated a leavers' table showing two third of those who have left so far in 2018 are under the age of 55.

Leavers by Age Range 2018 so far

Age Range	Number of Leavers	%
24 and under	2,096	4.97%
25-39	12,723	30.18%
40-55	13,178	31.26%
Over 55	12,057	28.60%
Unknown	2,101	4.98%
Total	42,155	100.00%

#### Direct Debit leavers

The Department is committed to providing 'deep' analysis of the figures and as a result an important problem has been identified. To deliver significant growth on a consistent basis the Union has to tackle the issue of re-joining members who leave by Direct Debit. It is without doubt a weighty issue. Over half of our direct debit members pay on the 1<sup>st</sup> of each month, and every month we see a substantial increase in leavers at this time.

However, we believe that this trend can, at least in part, be offset, by early intervention. Organisers have completed a test exercise to contact members who, having paid by direct debit, leave the Union and ask them to re-join. The results have been extremely positive. For example, in the North West Region from 151 calls answered, 46 people re-joined, very close to one-third of the total. If this success rate could be replicated across the Union, it would significantly increase our chances of delivering substantial and sustained growth.

To this end, the Department has ensured that every Region now receives daily lists of direct debit leavers ensuring that they now have the information available to contact those individuals.

The Executive Officer is in discussion with each Regional Secretary, about a clear system to contact direct debit leavers, on a daily basis as soon as they leave.



Analysis of Members who suspended their DD (12/03 to 27/04)

DD Payers who have suspended their payment – Top 30 Employers

Employer	Members suspending DD	% of all members suspending DD
Employer Unknown	288	3.63%
Retired	288	3.63%
RBS (Royal Bank of Scotland Group)	187	2.36%
Back to Work members	174	2.19%
Barclays Bank plc	173	2.18%
Community member - no employer	137	1.73%
UCATT Unknown Employer	90	1.13%
Unemployed	81	1.02%
Lloyds Banking Group	73	0.92%
Self Employed	60	0.76%
HSBC Bank Plc	59	0.74%
British Airways Plc	59	0.74%
Online Default	52	0.66%

DD Payers who have suspended their payment – By Sector

Sector	Members suspending DD	% of all members suspending DD
Finance & Legal	813	10.24%
Service Industries	724	9.12%
Health	653	8.23%
Construction	600	7.56%
RTCL Logistics & Retail Distribution	521	6.56%
Community Youth Workers & Not For Profit	510	6.42%
Unknown	497	6.26%
Engineering Manufacturing & Steel	419	5.28%
Local Authorities	389	4.90%
Food Drink & Agriculture	389	4.90%
Civil Air Transport	346	4.36%
Retired Members	289	3.64%
Automotive Industries	283	3.57%
Passenger Services	267	3.36%
Graphical Paper & Media and IT	261	3.29%



Sector	Members suspending DD	% of all members suspending DD
Chemicals Pharmaceuticals Process & Textiles	221	2.78%
Aerospace & Shipbuilding	166	2.09%
Community Member	162	2.04%
Energy & Utilities	148	1.86%
Education	113	1.42%
Government Defence Prisons & Contractors	96	1.21%
Docks Rail Ferries & Waterways	70	0.88%
No Sector	1	0.01%
Overall	7,938	100.00%

#### Automation

The Department has continued to deliver the Union wide consultation on Automation. The Executive Officer has made various presentations (as per overleaf). In addition, follow-up workshops continue to collate key information from Sectors and Regions.

The critical, final element of the Department's Report into Automation, being the proposal to adopt a '21<sup>st</sup> Century Workplace Manifesto' and our initial suggestions for action, have been a key talking point of the workshops. On the industrial front, it is pleasing that concrete actions have been taken as a result. In particular, it is encouraging that a growing number of stewards are now using the Pay Claim Generator and the Draft New

Technology Agreement to make a practical demand to their employers. Examples include:

- United Utilities NW
- Rolls Royce Cars
- Honda
- Manchester First Bus

It is also important to note that many of the sector discussions have resulted in an appetite for sector specific new technology agreements, using the trigger method developed by the Organising Department.

The Department is currently finalising the bespoke sector, regional and equalities automation papers.

In other developments, the Executive Officer highlighted serious concerns about the dangers of algorithms. She warned against taking a passive stance where algorithms make decisions about people's jobs and could replicate gender and racial bias found in society more



generally. On a related point, the EC will be pleased to note that the TUC BAEM conference voted to submit the Unite motion on Automation to Congress in September.

The Department continues to monitor the latest research, including reports this quarter from PWC and the OECD.

### **New Report: The Gig Economy, Insecure Non-Permanent Employment & Outsourcing**

The Executive Officer will present the Report on the gig economy, insecure non permanent employment and outsourcing. The Department has conducted a comprehensive investigation into these areas. The central message that the Report attempts to spell out, is one of labour market fragmentation, with many different elements of 'non-core' work occupying a significant space within our labour-force. This fragmentation or division is itself part of a wider deregulatory approach, which has been consciously deployed, resulting in weakened collective bargaining, wage stagnation and deteriorating conditions for working people.

As a result of the Report and for the first time, the Union now has up to date information collated in one place, listing the Top Employers by revenue for each Unite Sector. Crucial to delivering a fully developed '21<sup>st</sup> Century Workplace Manifesto' will be our ability to both set the pace where we are strong - negotiating improved agreements, and simultaneously developing concrete plans to tackle 'under cutters' both within each Sector and across the economy. This Report can help us take a potentially significant step towards that goal.

### **Sector Organising**

The Sector Organising campaigns continue to deliver new members since the Campaigns started.

- Energy – 5,573
- Construction – 4,808

Additionally in Construction, following our victory at Byrne Brothers, we have recorded a number of successes, including numerous Local Authorities signing-up to the Unite Construction Charter.

At site level, Hinkley Point C continues to deliver strong membership growth and written access agreements and protocols have been signed at many sites, including those covered by major contractors such as; BAM, MACE, Morgan Sindall, Vinci, and Wilmott Dixon.

### **MANUFACTURING SECTOR REPORT – Tony Burke – (Document 7.1)**

#### **Introduction**



**Work, Voice Pay Statistics**

**As at 27<sup>th</sup> April**

Sector	Workplaces	Officers	YE Pay Mems	Current Mems	Paying Mems	Joined TM	Joined TY	Leavers TY	Change	Change %
202 CPPT	3,049	177	43,714	44,361	43,579	290	1,427	-1,562	-135	-0.31%
206 AERO	1,008	124	62,781	64,194	63,072	420	1,697	-1,406	291	0.46%
207 AUTO	3,450	164	80,572	83,148	80,790	559	2,940	-2,722	218	0.27%
208 EMS	11,744	242	60,666	62,209	60,402	536	2,411	-2,675	-264	-0.44%
400 GPM-IT	5,646	188	37,998	38,767	37,721	251	1,326	-1,603	-277	-0.73%
<b>TOTALS</b>	<b>24,897</b>	<b>895</b>	<b>285,731</b>	<b>292,679</b>	<b>285,564</b>	<b>2,056</b>	<b>9,801</b>	<b>-9,968</b>	<b>-167</b>	<b>-0.06%</b>

Growth in the UK manufacturing industry decelerated to the lowest level so far this year, the latest PMI reports. The IHS Markit/CIPS UK Manufacturing Purchasing Managers' Index (PMI) fell to a 27-month low of 53.9 in April (however noting growth being a score above the no-change mark of 50), down from a four-year high in November of 58.2.

Manufacturing production rose for the 21st month in a row. Growth was driven by a combination of higher intakes of new business, stronger client confidence, improved weather, new product launches and increased capacity. In addition, manufacturing employment also increased this month, as staffing levels rose in the intermediate and investment goods sector.

Higher purchasing costs were attributed to increased commodity and raw material prices, in some instances exacerbated by demand exceeding supply. In general, inflationary pressures eased: on the price front, input cost and output charge inflation moderated and, even if still high, they are below the levels seen at the turn of the year.

The ONS reports that in the three months to March 2018, the Index of Production increased by 0.6% compared with the three months to December 2017, due mainly to a rise of 2.5% in energy supply; this was supported by rises in mining and quarrying of 2.2% and manufacturing of 0.2%. The three-monthly rise in manufacturing is due mainly to rises in machinery and equipment not elsewhere classified (4.1%), transport equipment (1.7%) and computer, electronic and optical equipment (4.4%). Interestingly, in the three months to March 2018, the Index of Production increased by 2.0% compared with the same three months to March 2017.

**Brexit**

The manufacturing sectors continue to be hampered by the lack of any real vision, strategy and progress on Brexit. Companies are still holding back on investment decisions due to the uncertainty and a number are making plans to exit the UK if a deal is not reached. Industries such as aerospace, autos and pharma are now pressing the government to give clarity especially on the single market, customs union, access to skills and EU agencies in these sectors where if we are out of the EU, with no deal, they may grind to a halt.



There are now highly public consequences of leaving the EU notably in manufacturing. These include the potential exclusion of the UK from European Galileo project which builds and develops satellites (in the UK).

In Stevenage, Airbus have already indicated that unless an agreement is reached and they win work on Galileo, they will move the work to France and Germany.

We also recently met the pharmaceutical corporation GSK, who explained the implications for their business here in the UK if no agreement is reached on important issues relating to patents, medicines and other research and development. We are working with GSK on producing a joint statement with them on Brexit and its consequences in the pharma industry.

We continue to meet with the major Employers Federations (EEF, SMMT, CIA, ADS) primarily on the issue of Brexit and we are continuing to play a part in the Manufacturing Trade Remedies Alliance.

#### **Automotive**

In the Automotive Sector we have seen a downturn in production volumes with 1000 agency workers being laid off at JLR.

Agreements have been reached with GM/PSA for the Vivaro van plant at Luton which secures future employment at the plant. An agreement has been reached at Ellesmere Port where the company have promised a new platform but no new models have been allocated to the plant at this stage. This is vital to give the plant a long term future.

The General Secretary along with the AGS, Officers and Reps recently met senior management from BMW in Germany and the Chair of the German Works Council to discuss electric vehicles and CO2 emissions and electric vehicles and it was agreed that Unite and the IG Metall Union would look to produce a joint document on this for presentation to the UK and German Governments. The background work is now underway.

The UK's Government's overall strategy on CO2 has so far failed to materialise with the Government drip feeding the media stories and statements which is having a damaging affect on confidence in diesel and more recently, a suggestion that Hybrid engines would be banned by 2040 which in Unites' view would severely damage our automotive industry as Hybrids are seen as the bridge between Internal Combustion Engines and fully electric engines.

#### **GKN – Melrose**

The Executive Council will be aware that Melrose won the battle to takeover GKN with votes going to Melrose in the final week by a hedge fund's purchasing derivatives and shares - all backing Melrose.



Our members and our union put up a superb campaign to oppose the Melrose bid including political pressure. But the UK Mergers and Acquisitions legislation especially on unwanted takeovers is incredibly weak to the point of being none existent and it is worrying that any company in the UK could now be subject to similar takeovers.

Following the takeover our Reps took a decision that we should meet Melrose as soon as possible and seek to develop a relationship with them.

This meeting has taken place and Melrose indicated that they wish to have a good relationship with Unite and said they will be investing in 'Wings of the Future' in aerospace and the 'e-drive' in autos as well as agreeing dialogue with Unite on strategic issues.

The company have also agreed to a meeting with their Pension Officials and are proposing to make an investment of upwards of £10m in skills which they have indicated Unite would be involved in. A full report back meeting has taken place with our Reps.

#### **The UK Steel Industry**

The Executive Council will be aware of the chaos caused by Donald Trump's decision to impose blanket tariffs on imported steel to the USA.

Unite is strongly of the view that those countries who have continued to block imports of steel and create a massive over capacity of steel and aluminium have contributed to the crisis including China, Russia, India, Turkey, Egypt etc.

UK Trade Secretary, Dr. Liam Fox, once again flew to the USA and came back empty handed.

Unite's proposed a policy to the Labour opposition team was to work through the European Union to take action to defend European steel manufacturers and our members. This is now accepted as the only realistic way of dealing with this.

We have been in regular contact with our USW colleagues who have their own dilemma in regard to Trump's decision on blanket tariffs.

#### **Graphical Industry & IT**

Further bad news came for the graphical industry with the decision of the Government to place UK passport production with the French company Gemalto even though De La Rue at Gateshead have successfully produced the UK passport for ten years without any security issues.

Unite mounted an excellent campaign but De La Rue withdrew its decision to appeal against the placing of the contract elsewhere. We are currently in discussions with them, not only on the affects to our members in manufacturing passports, but other security products including currency.

#### **Aerospace & Shipbuilding**