

Tata Steel UK Pension Dispute Ends

720 Jobs Cuts in Rotherham Plant



Ending a major dispute at the UK arm of Tata Steel, all the four trade unions have accepted the proposals for changes to the British Steel Pension Scheme that will keep it open.

"Pensions dispute at Tata Steel that brought the company to the brink of the biggest industrial dispute in 35 years has ended. Members of all four unions at the company have voted to accept changes to the BSPS which will keep the scheme open," Community union said in a statement.

Trade unions representing workers of Tata Steel UK had announced strike action, the biggest industrial action in the UK in over three decades over the proposed changes in the firm's pension scheme. Over 17,000 people work at Tata Steel across sites in Wales and around England.

The firm said the business had been underperforming in the face of steel imports due to the strong pound and higher electricity costs which it said were double those of European competitors. Tata said it had "identified 720 positions which will potentially become redundant" but with work with unions and employees to redeploy workers and minimize the number of compulsory redundancies.

Karl Koehler, chief executive of Tata Steel's European operations, said: "I realise how distressing this news will be for all those affected, but I am also extremely aware of our responsibility towards the ongoing survival of this business which will continue to employ about 1,500 people in South Yorkshire." Mr.

Koehler urged the Government to take action to boost UK manufacturing. He said the company had invested more than £20 million in recent years in its speciality steels business in order to create an improved range and quality of products and services. "However, energy is one of our largest costs at our speciality and bar business and we are disadvantaged by the UK's crippling high electricity costs." And while the UK Government announced helpful measures to reduce the impact of its high energy taxes a few years ago, these measures still haven't been introduced.

"We want to play our role in reinvigorating the UK's manufacturing industry, but increasing imports and high energy costs have further undermined the competitiveness of foundations industries." Now is the time for government to act. Foundation industries like ours urgently need a competitive business environment and a government willing to strengthen UK manufacturing supply chains. "This would ensure the UK remains an attractive place to invest."

Mark Broxholme, Managing Director of Tata Steel's speciality and bar business, said: "We have to recognise that economic circumstances continue to undermine the work Tata Steel has done to build a sustainable business here." Roy Rickhuss, general secretary of trade union Community, said: "This will be devastating news for our members. "This is a business that has seen a lot of restructuring and change over recent years and another round of potential

redundancies will hit the workforce hard." It will be natural for workers to be sceptical about this plan too as commitments given by the same management team in previous restructurings have not been delivered. "We will give our members every support in the coming weeks and months and will oppose any compulsory redundancies." We will also engage independent experts to study Tata Steel's proposals and look at alternatives that could save jobs and create a sustainable business. It's only right and proper that Tata Steel allows sufficient time for that work to be carried out. "While we still need to study the full rationale behind today's announcement, it is clear the UK steel industry is in a perilous state and as the biggest producer, Tata Steel is particularly affected. There is already a case for government action." We have been saying for years that uncompetitive UK energy costs are damaging the UK steel industry. "Today's announcement comes a month after plans for a strike by thousands of workers at Tata Steel, at sites around the country in a long running row over pensions were suspended.

Responding to Tata's announcement, Prime Minister David Cameron's official spokeswoman said "We are committed to doing all we can to keep energy prices down for consumers and businesses." That was one of the reasons why under the last parliament we took steps, and the Competition and Markets Authority came out with their report looking at that. "We've said we will look at what they say and respond in due course."