

# Response by Unison and Unite to the closure of the Rayleigh site

## **Introduction**

The announcement by Eon on 20<sup>th</sup> January that it intended to close the Rayleigh site by the end of June 2010 came as a bombshell to the assembled staff. Over 640 staff are to be made redundant in an area where significant call centre closures have already been announced.

The closure announcement came as even more of a shock as previously staff had been told that Rayleigh was the cheapest site per head.

The closure announcement came as a complete surprise to the Trade Unions as no discussions had been held with them even though it subsequently emerged that a project had been running since November 2009 with no attempt to involve the Trade Unions in the process.

## **Consultation**

Consultation with the Trade Unions commenced on 27 January 2010. However the Trade Unions do not consider this to be meaningful consultation as the decision to close the Rayleigh site had been taken without the involvement of the UK Trade Unions and the company failed to notify the European Works Council. Notwithstanding this the Trade Unions here attempt to put forward proposals for retaining the Rayleigh site. "Attempt" because the unions believe they have not had access to all the information on which the decision was based.

## **Business Rationale**

The company claim that a site closure is required as the headcount reduction seen in 2009, as part of the of the Clean programme, has resulted in a growing number of empty desks across all sites, resulting in the need to reduce the number of Customer Service sites it operates from –triggering an organisation and leadership review. The company states that before its accommodation review could be approve/recommended to the Retail Board and EUEB, confidence in the ability to secure a suitable replacement for Newlands House was required. There is a telling statement "This supported our desire to have a new purpose built customer service centre based in

Nottingham city centre”. However there is no rationale given for this “desire” – shopping perhaps?

The company carried out a scoring exercise on all its sites but we have not had access to the scores or with the exception of Rayleigh are we able to identify the individual sites. Having excluded a number of sites on the basis of the headcount numbers the company then proceeded to assess the remaining sites – Bedford, Leicester and Rayleigh. On this basis Rayleigh provided the greatest saving in terms of desks removed 772. However It was stated that Newlands FTE numbers were too high at 757 and therefore it should be excluded.

It was also stated that Rayleigh had the highest annual running costs (£1.8m, Bedford £1.5m and Leicester £1m). However as with all these exercises it really depends on what it is one wants to prove. In terms of cost per head Rayleigh comes out as the cheapest site.

The company argue that Bedford and Leicester are home to more complex activity than the work based in Rayleigh. This may be the case – however one suspects that a compelling reason given to the RCF verbally is in fact the real rationale for the closure of Rayleigh – the lack of senior management on site – meaning long trips for senior staff from Nottingham. One really does begin to wonder when this statement is allied to the “desire for a centre in Nottingham city centre”. Is the real reason for the loss of 640+ posts and the devastating effect on individuals and the local economy the long drive to the corner of Eon’s empire in darkest Essex and the lack of city centre shopping facilities?

## Employment Security Policy

Eon’s employment policy is set out below:

### From Employment Security Policy

Initial actions for consideration in seeking to avoid redundancies	Secondary Actions for consideration	Actions to mitigate the impact of job reductions
suspending recruitment <b>releasing agency workers and other contractors</b> natural wastage reduction in overtime levels	redeployment or retraining alternative cost reduction measures e.g. salary re-alignment	time off to find alternative employment/attend interviews support to find alternative employment

To the best of our knowledge there has been no attempt to reduce the use of agency worker or other contractors – rather one of the criteria used to justify

the closure is that Rayleigh had the highest TUPE/Outsource opportunity as a product of being mostly contact centre work. More than 640 people are being put on the scrap heap in Rayleigh whilst outsourcing continues to grow. In addition to add to the injury another 500 posts have already been advertised in Nottingham!

To conclude this part of our response we reiterate how appalled we are at the cavalier way the company has treated its loyal employees at Rayleigh. We state again that we have no confidence that this consultation is in any way meaningful and that this is unacceptable in the modern climate of industrial relations. We also believe that Eon is failing to live up to its responsibilities to the wider economy in and around Rayleigh. Is this any way for a supposedly respectable European Company to act?

However we will put forward some proposals which we believe justify the retention of an Eon site in Rayleigh.

## **Proposals**

The shock of the announcement of the closure has had an effect on many of the previously loyal staff. Many of whom have given a working lifetime to Eon and its predecessors. These staff were not told that the site might be closing – they were told in no unequivocal terms that the site was closing and as a consequence they were redundant. “It is our proposal to close Rayleigh on 30 June 2010, following conclusion of consultation with Trade Unions.” “Details of your redundancy package will be provided at your 1-2-1 counselling session”.

As a consequence some staff with short service have already found other posts and many others are actively searching. Unfortunately, even in the unlikely event that the company change its position, we estimate that some 300 staff are already determined to leave the employ of Eon – no longer trusting the Company to safeguard their jobs. We would therefore propose the following:

- 1) Relocate 300+ staff to smaller premises allowing the staff who wish to take redundancy to do so
- 2) Create a Centre of Excellence with experienced staff in a smaller environment with lower costs, whilst benefiting the customer, keeping local jobs and maintaining the Eon brand
- 3) Local council would give preferential business rates for a period of time

- 4) A new building would less maintenance and, with the amount of empty office space in the local area, a possibility of securing a very good long term lease
- 5) Minimal retraining cost against inexperienced new staff in Nottingham
- 6) Good quality staff who are already achieving the current business target for Sales AHT
- 7) No need for higher management on site as less staff to maintain
- 8) With the current knowledge and skills in Rayleigh it would not take 6 – 9 months to ensure that work is not duplicated and would have little or no impact on customers, ensuring that customer's experience and Eon core values are upheld. This would avoid a negative impact on the company's brand image and reduction on the level of services to customers
- 9) Would show Eon in a positive light, confirming investment in local and British economy, improve corporate image and show belief and loyalty to its staff.