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United Kingdom

Mr Darren Jones MP
Chair, Business, Energy and Industrial Strategy Select Committee
House of Commons
Westminster
SW1A 0AA

19 May 2021

(sent via email)

Dear Mr Jones,

Following your Committee's interest earlier this year, I am writing to inform you that, regrettably, following a thorough review of all reasonable alternative options our decision to propose the closure of our Chester Road assembly plant in Erdington remains unchanged.

Over the past three months we have fully engaged with employee representatives and Unite the Union through a comprehensive consultation process to explain and discuss our proposal, provide more information when requested to do so and answer all questions raised.

As a part of that process, employee representatives and Unite put forward counter proposals which we have considered fully. However, in the context of a highly competitive market and our original criteria for proposing the closure, these proposals do not present a sustainable future for the plant. Therefore, regrettably, our decision to propose the closure of the site remains unchanged.

Proposing the closure of this plant was a difficult decision that was not taken lightly. It was made following an extensive review of all reasonable alternative options for the site, in the context of a highly competitive global market and an ongoing decline in light vehicle production volumes in the UK that is set to continue. Indeed, we have seen a further decline in forecasted production in the UK of 4% since the start of our consultation.

We now believe we have exhausted consultation in respect of the commercial rationale for our proposal and alternatives to closure. Our priority now is to provide clarity on the support packages available to employees and the closure process which is planned to take place over the next 18 months. Our recommendation is that this includes appropriate financial support and dedicated help with a variety of career transition approaches.

We know this is not the outcome you will have hoped for. We would not continue with these proposals if they were not the best approach for the future of GKN Automotive in a highly competitive and fast changing global market.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Butterworth'.

Liam Butterworth
Chief Executive Officer