



FALCON FORUM – 1st June 2022

Present – Peter McAllister, Kevin Campbell, Mary Kemp, Bruce Macadam, Mhairi Burt, Kerry Jackson, Wendy Rodgers, Randal Wallace, and Heather Aird.

Business Update

It's a mixed bag, period 9 finished yesterday we are doing well demand is still high and our backlog is strong, but we have more shortages. Our factory efficiency is 70% a good performance sits about 90%, a huge part of this is driven by shortages our current supplier of thermostats aren't delivering they can't supply us we are working to sort this out. Fryers are a huge percentage of what we ship but this is today's problem yesterday there was a different one this just gives you an idea of the challenges we face. Our on-time delivery to our customers is 61% that is the lowest it's ever been. That said we have great people, creative people who always find ways to keep us going along.

At the end of period 9 the Ali purchase of Welbilt goes through which gives us global buying power and will strengthen us all.

A mix bag of positivity and massive challenges today we submit our budget for next year we are predicting higher sales however we are also budgeting for a 20% decline in profit due to the rising prices in raw materials and rising energy prices our energy prices are 4 x higher now which just erodes our profitability. If we put our prices up by too much, we could lose the growth, so our profitability is going to be impacted. It's still good news but there pressures are right across the business that are significantly reducing profitability.

With the wage talks we had a mandate of 8.85% we have been meeting with the GMB for the best part of 6 months. When we met at Acas last Monday this was the first time the GMB engaged with us and changed the mandate to 6.1%. We simply cannot afford a salary increase of 6.1% without impacting the long term future of Falcon. We made an offer of 3% this year and 3% next year paid early in September to help with everyone's cost of living inflation is forecasted to reduce next year. Average wage rises in Scotland this year are 2.8% so we believe this is a good offer. Unfortunately, the GMB didn't bring this offer back for a factory vote and the papers for industrial action will go out on Monday. As always, we are here to talk and ready to listen any time. This is the hardest year it's ever going to be inflation is just rocketing but it's hitting us as a business as well.

There are many challenges but we are very adept at rising to these.

From a recruitment perspective we had 1400 hours of training in assembly as the new people settle in, and we are recruiting for apprentices, sheet metal and welding. There have been certain roles that have been difficult to fill due to the market demands but we are doing ok and are managing to fill our vacancies and haven't struggled as badly as some businesses.

Pension Changes

Aegon will start mail dropping members on Monday 6th June regarding the Master Trust and the details of how to transfer.

Intranet

We will speak to IT about Intranet access on the shop floor terminals. We are looking for feedback on the Intranet and what people would like to see.

Wendy to look into a digital notice board.

Canteen

Asking for capex money for the canteen, with the possible addition of a scan heat and vending machines with food that can be heated.

Remove broken furniture

Facilities / Other

Snack Machines are always empty – Wendy to contact them to ask for more frequent visits.

Water Fountain – We need to replace all 3 of them (Wendy & Kevin to look into this)

Holes in gents & Ladies toilets due to toilet roll holders being changed – Maintenance to look at this.

Radio station vote – Wendy to look at this.

Suggestion box- Wendy to look at bringing this back

Charging Points & Electric Cars

Kim is looking into this and Peter is working on an Electric car scheme

Events

Ideas for charity events include,

Sponsored walk,

Cycling, treadmill, or rowing machine

McMillan coffee morning

More active in the local community sponsoring football clubs etc.

Christmas toy bank

Food bank

England walking football team – we sponsor this due to the link to the HMP team. Can we do something similar locally

Other business

Private medical scheme through salary sacrifice – Wendy to look into this.

4 day week to save fuel, while we are fully aware of how expensive fuel has become as a business we must be fair to everyone this could be something the GMB takes up and discusses with us.