
Downsizing deals - Watson Steel pay cut and cost saving measures

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It is reported that managers and workers at Watson Steel Structures in Bolton have taken a pay cut and agreed other cost saving measures.

Parent group Severfield Rowen Plc announced the outcome of a costs and capacity review launched in response to extremely challenging market conditions. The same measures have been brought in at Fisher Engineering in Co Fermanagh and Rowen Structures in Sutton in Ashfield. Severfield Rowen said that the changes would ensure that these businesses maintain their competitive base and should be able to maintain operations at close to normal capacity.

Watson Steel supplies structural steel for major projects and is supplying the stadium building program for the London 2012 Olympic Games. The group said total production volume will be cut by 20% because of reduced demand, falling price levels and increasing pressure on margins.

Jobs are going at two subsidiaries, Severfield-Reeve Structures in Dalton, where 95 posts are at risk, and Atlas Ward Structures in Sherburn, where 60 jobs are affected. In August 2009, the group said directors and the executive management committee had agreed a 20% cut in basic salaries from January 2010.

Watson Steel said that the cuts would achieve cost savings of approximately GBP 10 million in 2010, which the group expects to be a trough year for UK demand.

(Sourced from www.crainsmanchesterbusiness.co.uk)

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