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19th August 2020

The Secretary
Security Industry Joint Labour Committee
Lansdowne House
Lansdowne Road
Dublin 4

Email: info@labourcourt.ie

**Re: Proposal for a new Employment Regulation Order (“ERO”) published
by the by the Security Industry Joint Labour Committee (“JLC”)
pursuant to Section 42B(1) of the Industrial Relations Act 1946 to 2019**

Dear Secretary,

I am writing in relation to the proposed ERO for the security industry, as published by the JLC on the Labour Court website on 30 July 2020. Mitie Facilities Management Limited employs 200+ security workers in client locations across Ireland.

The proposed ERO, if adopted by the JLC and Labour Court in its current form, would come into effect from 1 June 2020, and the proposed increased rates of pay as set out in the proposed ERO would come into effect from 1 October 2020.

Mitie Facilities Management Limited has very serious concerns about the proposed ERO, given the extraordinary (and frankly unprecedented) economic and commercial challenges facing it and the security industry as a whole. The COVID-19 pandemic has had a serious impact on Ireland’s economy and the country is experiencing a significant financial crisis, to the extent that the Minister for Finance has formally announced that the country is entering a severe recession.

As a direct result of the extraordinary pressure on businesses in Ireland, a substantial number of our clients have requested cost reductions, as their revenues continue to decline month on month as a direct result of COVID-19. At this juncture, we know that many of our clients are reforecasting budgets to implement a fresh wave of cost reductions, which they will partly seek to pass back to Mitie Facilities Management Limited.

It is therefore highly unlikely that Mitie Facilities Management Limited will in a position to pay the proposed increased rates of pay until the country is in a more stable economic position.

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The Economic and Social Research Institute (“ESRI”) is currently modelling scenarios to put potential views together to understand the economic output for year-end 2020. Consumption, investment and net trade are likely to fall sharply, households are likely to cut spending, companies are likely to cancel or postpone investment and external demand for Irish goods and services is likely to fall. In addition to COVID-19, we have yet to see and understand the full impact of Brexit on the Irish economy which also looms large in the background and is anticipated to add further financial pressure to Mitie Facilities Management Limited.

In light of COVID-19 and Brexit, it is now beyond dispute that the Irish economy is in a far weaker position than when the JLC met in 2019 to discuss the terms of a new ERO. It is respectfully submitted that this new landscape simply must be acknowledged in the context of the proposed ERO.

It was reported on 12 August 2020 that the UK economy suffered shrinkage of 20.4%, one of the biggest slumps recorded among advanced economies, placing the UK into recession for the first time in 11 years. As the UK is our nearest trade partner, this will undoubtedly have a detrimental effect on the Irish economy, as our economic fortunes have historically been inextricably linked.

To protect against the effects of these new economic realities faced today by Mitie Facilities Management Limited, and against the grim forecasts which are credible and even more worrying, I formally request the Chair of the JLC to reconsider the terms of the proposed ERO and to defer the implementation of any new ERO for the security industry for the next 18 months, until we can better understand the economic fall-out resulting from COVID-19 and Brexit.

At this extraordinarily difficult and uncertain time, we believe it is prudent, appropriate and, for the future of the sector, vital, that the JLC revisits discussions around a new ERO and realigns timelines due to the current economic and commercial landscape.

We look forward to engaging with you and would like to thank you in advance for taking the time to give consideration to our concerns on this matter.

Sincerely,



Gill O' Riordan
Operations Director