

Letter to Branches

For instant updates: <http://www.cwu.org> email: info@cwu.org
150 The Broadway, Wimbledon, London, SW19 1RX Tel: 020 8971 7200 Fax: 020 8971 7300
General Secretary: Billy Hayes (www.billyhayes.co.uk)

No. 298/09

Ref: 60000

Date: 3rd April 2009

TO: ALL BRANCHES WITH POSTAL MEMBERS

Dear Colleagues

ROYAL MAIL LETTERS PAY CLAIM – UPDATE ON ROYAL MAIL MODERNISATION DISCUSSIONS

Further to LTB 279/09 the Postal Executive discussed earlier this week our Royal Mail Letters 2009 Pay Claim and received progress reports from the National Officers on further meetings with Royal Mail over the company's modernisation plans.

April 2009 RML Pay Claim

In discussing this year's Pay and Conditions Claim the Postal Executive has taken into account Conference Policies, the current environment, including our wider Government Campaign, outstanding commitments from Pay and Modernisation and the company's future plans.

The Postal Executive recognise that given the complexity of the challenges we face it will not be possible to move our Pay and Conditions Claim forward in complete isolation to everything else that is happening in the industry. This is particularly relevant to how the claim will be viewed by Royal Mail and other interested parties. It also means we will have to be realistic about the likely timescales required to achieve an acceptable settlement.

A full copy of the Pay and Conditions Claim letter is attached.

In the circumstances we want Branches to publicise and discuss the content and rationale behind our claim in all workplaces.

Update on discussions with Royal Mail

Despite commitments made by Royal Mail for more productive talks, the Postal Executive received reports from the National Officers that no real progress has been made in discussions on the company's modernisation plans. It appears the company has a fundamental problem over engaging the Union in proper negotiations to reach national agreements on the next phase of modernisation. This was despite the following written commitment given by Royal Mail's HR Director in advance of the most recent talks.

"In various forums, we have confirmed that Royal Mail will continue to maintain existing National Agreement and changes to these or future changes to terms and conditions will be done through negotiation".

COMMUNICATION WORKERS UNION
URGENT INFORMATION FOR 1 MEMBERS

The aforementioned commitment was also confirmed by Mark Higson, Royal Mail's Managing Director at our recent two day meeting.

Regrettably, we are once again at a point where Royal Mail's words are not being matched by their deeds and actions. There is growing evidence that out in the field the company continues to break existing national agreements covering MTSF, deliveries and Pay and Modernisation. This is now being met by significantly increased requests for local industrial action ballots.

The truth is we are facing an employer who does not listen or act in the interests of our members. Royal Mail's response to the severe criticism of Government and the Hooper Report, which highlighted their lack of expertise and failure to engage the Union/workforce, is just to press on regardless.

The current situation is unacceptable. CWU members are facing the biggest major change of any current UK industry and we have a right to deal with major change through collective bargaining and national agreements.

In light of Royal Mail's continuing behaviour the Postal Executive has agreed the following course of action:-


- **Until such time as Royal Mail honour existing National Agreements, accept that major change must be negotiated and reach agreements on the next phase of modernisation, we are instructing all Branches not to engage in revisions or savings initiatives.**
- **In the meantime, before talks are elevated, we have insisted that Royal Mail hold further meetings with the National Officers, in accordance with the spirit and content of the process recently agreed by the company.**

We are very aware that Royal Mail's behaviour may be political and deliberately timed to undermine the Union's Campaign against privatisation. Nevertheless, we have no alternative other than to defend National Agreements and deal with all the issues facing our members in their workplaces.

It is essential that the content of this LTB is communicated in every workplace.

Any enquiries on our pay claim should be directed to the DGS (P) Department, enquiries on Royal Mail Modernisation talks should be directed to the appropriate Assistant Secretaries.

Yours sincerely



Dave Ward
Deputy General Secretary (P)

COMMUNICATION WORKERS UNION
URGENT INFORMATION FOR 1 MEMBERS

Our Ref : DW/JDD 60000

2nd April 2009

Dale Haddon
HR Director
Royal Mail Letters
HR Director
35 Rathbone Place
London
W1P 1HQ

Dear Dale

CWU PAY AND CONDITIONS CLAIM 2009 – ROYAL MAIL LETTERS

We had a useful discussion last week exchanging initial views on the CWU April 2009 Pay and Conditions Claim.

We talked about the challenges facing Royal Mail and the Union, the current internal/external environment, CWU policies and our outstanding joint commitments to continue improving the terms and conditions of the workforce.

I explained the Union would be formally submitting our claim this week, but first I want to elaborate further on the background to our forthcoming negotiations.

When considering our claim Royal Mail will no doubt continue to point out that we are in a recession, mail volumes are falling and that our members are aware of what's happening in many other companies. It's true we are in a difficult environment - but we both know this does not represent the full picture.

The truth is there are other equally important factors to consider that place Royal Mail in a unique position.

- The company recently posted its best financial results for years and out performed all of its financial targets.
- You have recently written to all employees saying the value of the company has significantly increased.
- The Government has now accepted that it will take on the pension's legacy deficit. This will bring about an incredible transformation in Royal Mail's finances. Previously, Royal Mail signed into funding approximately £280 million per year, for the next 15 years. This money can now be released and reinvested into improving our members' terms and conditions amongst other things.

COMMUNICATION WORKERS UNION
URGENT INFORMATION FOR 1 MEMBERS

- Crucially, Royal Mail has now confirmed that its modernisation programme is fully funded from the previous Government loan.
- In addition, Royal Mail's modernisation programme is designed to achieve its biggest ever cost reduction, well in excess of a billion pounds. Again, this represents a massive boost to the company's finances.
- The Government's regulatory proposals provide the company with a great opportunity to now operate on a level playing field with its competitors and further improve its financial prospects. This includes revisiting DSA revenue loss, introducing a USO Support Fund and agreeing more helpful price control mechanisms.

What the aforementioned factually demonstrates is that whilst we face challenges there are also real prospects of delivering a successful future for our members and the company. This is the real background to our claim. I also want to emphasise that our claim must be seen in the context of us jointly making progress on modernisation with the potential to explore a longer term deal.

The claim is for all CWU represented grades in Royal Mail Letters, HR Services and Finance Ops covering the following areas:-

- **Significant Increases in Basic Pay**

We must be mindful that for OPG's we previously jointly committed to achieving £400 per week and the Union is determined to make real progress towards our policy of achieving average national basic pay.

We must also take into account the outstanding commitment from our Pay and Modernisation Agreement to introduce a new improved Pay and Benefits package including, pay simplification.

For all other CWU represented grades we believe there are real opportunities as part of modernisation to achieve increases in basic pay and build on pay and benefits packages that reflect different jobs and skills requirements.

- **Progress towards the Introduction of a 35 Hour Working Week**

Our claim for shorter working hours recognises the demands being placed on our members to further improve efficiency. This must be balanced against increasing workloads, which are stretching the vast majority of our members up to and beyond their physical limits.

We are willing to explore ways of introducing the Shorter Working Week by absorbing costs.

Our members are entitled to benefit from the introduction of automation and we believe a Shorter Working Week will also be seen as a way of minimising job losses.

For all the reasons outlined above it is now vital that we make progress towards achieving this longstanding Union policy.

COMMUNICATION WORKERS UNION
URGENT INFORMATION FOR 1 MEMBERS

- **An Improved Job Security Package**

We previously agreed to review the MTSF Agreement and the Union believes we must now negotiate an improved Job Security Package reflecting the scale of change envisaged by Royal Mail's Modernisation Programme.

- **Improved Family Friendly Policies**

The Union supports the introduction of the same status Family Friendly Policies across all Royal Mail Businesses. This is long overdue and requires the terms and conditions in Royal Mail Letters to be enhanced, particularly around harmonisation of maternity and paternity leave.

Although not strictly under the banner of Family Friendly Policies the Union also believe that Royal Mail continues to adopt unfair practices on sick pay. Therefore we want to negotiate an agreement that as a minimum ensures sick pay is paid in the first 12 months of service where absences have been caused by industrial injury/disease or an assault on duty.

The Union would wish to urgently discuss, with you, the best way to move our claim forward and recognise that it is worth considering how our claim fits in with other discussions that are taking place on modernisation.

In the circumstances we propose that we diarise a meeting in the next two weeks with the following agenda.

- That we jointly examine, in more detail, the factual background to this year's negotiations.
- The Union presents its claim and Royal Mail presents their detailed response.
- That we agree a structure for ongoing negotiations to ensure we can move forward at pace.

In recent years, we have been on a journey of change and this has resulted in us reaching hard fought National Agreements. The principle that has underpinned all of those agreements has been that the company and our members should both benefit from change. This principle must continue, alongside an improved working relationship and professional negotiations.

Given that the pay and conditions claim is due from the 1st April, I look forward to a timely and positive response.

Yours sincerely



Dave Ward
Deputy General Secretary (P)

Cc: Mark Higson, Gillian Alford

COMMUNICATION WORKERS UNION
URGENT INFORMATION FOR 1 MEMBERS