

A SUMMARY OF THE AGREEMENT

JOB SECURITY / MANAGING THE CHANGE

Throughout business transformation you now have stronger job guarantees with an improved support package to help people through change.

- The overarching objective is to complete transformation with no compulsory redundancies.
- Existing full time employees will retain full time jobs – similarly existing part time employees are entitled to retain their existing contractual hours if they wish.
- Transformation to be completed in 2013 with a national profile of 75% full time and 25% part time split.
- EVR terms uncapped until April 2013 – existing terms until October 2010, after which pension enhancement will be based on 37.5% of maximum potential service.
- From October 2010 selection for redundancy will solely be in seniority order – the age criterion is scrapped.
- Changes to Inland Revenue rules mean that those under 55 will not be able to leave with immediate payment of pension after April 2010.
- On excess travel expenses the cap on payments is raised from £15,000 to £20,000.
- On excess travel expenses for journeys with an annual cost of more than £1,250 the period of payment is extended to 5 years, the first three on the current basis (cost x 2); the fourth cost x 1 and the final year cost x 0.5.
- Relocation terms will be automatically available where cost does not exceed average cost of ETE for the unit.

IMPROVED REWARD PACKAGE

You now have the stability of a three year improved reward package that will outstrip government public sector pay policy and the trend that exists in most UK companies. This includes:-

- £400 lump sum when the agreement is ratified
- A cut in the working week of one hour – worth 2.5% to the OPG Grade. Part timers will benefit from an increase in their hourly rate. There is a cash alternative for some grades.
- Increases to basic pensionable pay
 - 2.0% in April 2010
 - 1.4% in April 2011
 - 3.5% in April 2012
- Guaranteed payments of £1,000 per full time employee linked to transformation.
- Conversion of some existing payments into weekly and permanent non pensionable basic pay supplements. These are guaranteed forever and will increase in future pay rises.
- Increased paid maternity leave from 18 weeks to 26 weeks and paid paternity leave from one week to two weeks.
- As a result of this agreement colleagues share buy back options in 2011 and 2012 should now be enhanced. These are currently valued together at over £1,000 for those who qualify.
- A commitment to take account of individual's aspirations for additional earnings through regular SA and overtime in conjunction with innovative attendance patterns.

OPERATIONAL CHANGE

We have negotiated extensive agreements covering all aspects of Royal Mail's planned operational change with all necessary safeguards and full CWU involvement.

Delivery

- A new revision process that involves the CWU from start to finish. One of the fundamental issues in the national dispute.

- A fairer workload. Joint Workshops to determine and communicate work measurement and performance standards and the agreement of the revision tools. This to be incorporated into the new revision process
- New equipment and delivery methods supporting flexible spans and embracing safer working practices, including removal of private cars and weight off the shoulder.
- New Door to Door arrangements that will preserve jobs and safeguard and enhance future payments.
- A minimum of one in four Saturdays off with the opportunity to go beyond this. A menu of options will be provided.

Mail Centres

- Full CWU involvement to influence the shape of the mail centre network through a structured process at divisional, regional and area level to deal with any proposals for closure.
- Improved arrangements and terms to deal with people issues.

Network

- A robust framework to fully influence the shape and nature of change in Network and deal with any proposals for site closures.
- Negotiations on yearly network reviews alongside a progressive agenda for future discussions.

Other Grades

- Extensive arrangements covering how operational change affects all other grades including engineers, fleet maintenance, LA's and MDEC workers.

Other Operational Change

- The introduction of new machinery and technology alongside a standardised 6 day work plan. Agreed safeguards to ensure the new work plan supports the principle of innovative attendance patterns and more Saturdays off.

- CWU at the centre of developing and influencing the World Class Mail Project through effective involvement forums at all levels. Issues affecting employee terms and conditions will be subject to our normal negotiation procedures.
- On future productivity we are now able to directly influence the company's benchmarking approach and ensure fairness when tackling improved office performance.

A FRESH START

- A radical improvement in relationships at all levels. Developing a culture of common objectives and aligned interests.
- A shared vision of modernisation in the joint interests of customers, employees and the company.
- A completely fresh approach to managing local change, including greater support for local representatives. The focus will be on joint problem solving and practical solutions rather than disagreement, management imposition and industrial action.
- To build trust and ensure the agreement is honoured the continuing involvement of the Independent Facilitator and ACAS.

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Ballot opens – 9th April 2010 - closes 23rd April 2010



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