

COMMUNICATION WORKERS' UNION

**CIRCULATED TO THE
SPECIAL POSTAL EXECUTIVE ON
13th March 2007**

**65/07 (PE) 'A'
B.705**

**For consideration at the
Special Postal Executive Meeting
14th March 2007**

CAPITA PAY AGREEMENT 2007

The Postal Executive will be aware that due to industrial action and subsequent negotiations in defence of UK jobs at the Bristol Back Office, the 2006 pay negotiations were unavoidably delayed. This followed an already lengthy and difficult round of pay negotiations.

I am pleased to be able to advise the Postal Executive that following the successful outcome of industrial action that pay negotiations recommenced at the end of February and that agreement with the business was reached on 12th March 2007. Please be advised that Alan West, our Senior CWU Representative in Capita, accompanied me to all negotiations and as part of the negotiating team supports the recommendations made within this document. A conference call was subsequently held with Alan West and our field representatives Brian Cossar (Glasgow and District Amal Branch) and Trevor Clarke (London No7 Branch) at which full support was given to the agreement.

As the Postal Executive will know our members in Capita have two separate sets of terms and conditions due to the TUPE transfer of a large number of members from Post Office Limited in 2002 and the subsequent expansion by the business of both the workforce and operations to a new customer service centre in Darwen, Lancashire. Following the securing of union recognition for over 450 of these newly employed Capita contract grades in 2005 I am pleased to be able to advise the Postal Executive that these members pay is now also subject to negotiation with the CWU.

The Postal Executive will see from the attached pay offer letter that real gains have been secured for both sets of members in this year's agreement with a 4% increase for all TUPE members and an average 4% increase for Capita contract members. By way of background the retail prices index for September 2006 (which we traditionally use for date of the October pay round) was 3.6%. The 2006 agreement therefore secures an above inflation increase for the vast the majority of our Capita members. The fact that all major economic forecasts predict a fall in the retail prices index over the coming months means that most of our members will have benefited from a real increase to basic pay both in 2006 and 2007.

Importantly a new a single pay date for all CWU represented TVL Capita grades (both TUPE and non TUPE) has been agreed for October. This brings forward our Capita contract members pay date (up until now in January) forward by three months. This will mean that these members will benefit from an extra three months worth of pay increases in 2007 as

well as establishing the principle that all members pay should be agreed as part of the same pay round. The agreement also establishes for the first time the important axiom of an across the board minimum, consolidated and negotiated pay increase for Capita contract members.

The aforementioned recognition agreement and subsequent pay negotiations mark real progress for Capita contract members however work still needs to be done to build sustainable representative structures at the Darwen site in order to raise membership levels. This is a priority for the C&CH department in order to strengthen our ability to increase pay in the future. Our long term objective remains to standardise pay across the TVL Capita contract. Obtaining recognition beyond our TUPE members was the first step in this process and I believe this year's agreement has taken us further by establishing the fundamental principle that pay should be both subject to CWU agreement, that all members pay should be agreed as part of the same pay round and that there should be basic consolidated minimum increases to all members pay separate from performance and incentive payments.

The details of the agreement can be summarised as follows.

TUPE members

- A 4% Increase to basic pensionable pay backdated to 1st October 2006 and flowing through to all overtime and allowances

Current rates	pay	New pay	Cash increase
£13,907		£14,463.28	£556.28
£14,244		£14,813.76	£569.76
£15,061		£15,663.44	£602.44
£16,650		£17,316.00	£666.00
£17,504		£18,204.16	£700.16
£18,554		£19,296.16	£742.16

- A £75,000 bonus to be shared between all CWU represented TUPE grades at Bristol stemming from discussions relating to Project Dune.

Capita contract members

- An average increase of 4% to basic pensionable pay in which all members will receive a minimum 2% pay increase rising to 6% for high performers backdated to 1st January 2007 flowing through to all overtime and allowances.

Bonus and Commission Schemes

- The Outbound Commission Scheme, Field Back Office bonus scheme and the Sales & Enquiry Officer Commission Scheme will continue as before subject to periodic review and negotiation with the CWU.
- A joint Customer Service Productivity incentive scheme to be jointly agreed with the CWU for Front and Back Office members at all operational sites. The scheme is to be introduced following a number of technical improvements at the sites and appropriate staff training in these new areas. It has been agreed that the scheme will have both team based and individual elements. The maximum sum available for members in these areas will be £120 per month to be paid quarterly.

As a result of the two groups of members and the aforementioned pay levels I intend to conduct separate ballots for TUPE and non TUPE members. I am confident that this agreement will be supported by both sets of members and will strengthen our recruitment campaign at the Darwen customer service site. Accordingly, I have no hesitation in recommending the agreement to the Postal Executive.

Recommendations:

1. **The document be agreed**
2. **The actions of the Assistant Secretary be endorsed**
3. **That two individual membership ballots be held (one of TUPE members and one for Capita contract members) with a positive recommendation**
4. **That suitable publicity will be given**

ANDY FUREY
Assistant Secretary



Pay Letter-
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