

COMMUNICATION WORKERS' UNION

CIRCULATED TO THE
POSTAL EXECUTIVE ON
23rd August 2006

211/06 (PE) 'A'
B.601

For consideration at the
Special Postal Executive Meeting
23rd August 2006

Post Office Ltd: Pay Agreement 2006 (Excluding Crew)

Following an intense period of negotiation, I am pleased to report that a pay agreement has been reached with POL.

Before considering the detail of the agreement I would invite the Postal Executive to bear in mind the following:-

- POL declared an operating loss of £111m for the last financial year
- POL made what it described as its "Final Offer" to the Union in May
- This final offer included two options
 - 2.4% increase in basic pay with full flow through to all allowances and overtime rates
 - 2.9% with all allowances being frozen and conditional on a massive reduction on Saturday premium payments for Counters Clerks, which in essence, was self funding a significant part of the 2.9%.

Following the Postal Executive rejection of the final offer, a series of events have taken place, firstly Emergency Motion E4, in the name of the Postal Executive was carried at Annual Conference and secondly, we conducted a consultative ballot, which gave the members the opportunity to accept the "final Pay Offer" from POL. In fact, the membership overwhelmingly (91%) rejected POL final pay offer and supported the Union's vision.

Associated at **Appendix A** is a copy of a letter that was sent to every member's home address by POL in the name of Alan Cook, Managing Director. This letter was sent on 26th May 2006 following our Annual Conference and actually refers to our conference decision that endorsed the rejection of the "Final Pay Offer".

To my mind the most significant part of this letter is the following excerpt, which in fact is the third paragraph.

"The Union has indicated that they believe there is more money being held in reserve to be offered after further negotiations, quite simply, that is not the case".

*Alan Cook
Managing Director
26 May 2006*

Additionally, at **Appendix B**, is a copy of POL's response dated 30th May 2006, to our formal rejection letter. Contained within this letter from Ian Anderson, P&OD Director are the following most salient quotes.

"The offer is simply the most that can be afforded at a very difficult time".

"I would reiterate that the offer is most certainly our final offer and I urge you to reconsider your position".

*Ian Anderson
P&OD Director
30 May 2006*

It is also worth pointing out that POL states within the correspondence at **Appendix B** that Option 1 was their preferred option, which in effect, was the 2.9% offer, funded on the basis of attacking Saturday premium.

As can be seen from the above quotes, POL were determined not to offer more money. For our part, we were equally determined to negotiate a fair agreement with no losers in respect of Saturday premium.

In view of the above, I would ask the Postal Executive to reflect on our key objectives when considering the benefits contained within the agreement.

The key objectives in the negotiation were to:

- Increase basic pensionable pay
- Pay parity for CSAs
- £300 a week for Pas in Admin and Cash Centres
- An agreement to secure the future of the Crown Office network

Main Features of the Pay Agreement

- A minimum increase in basic pensionable pay of 2.9%, back dated to 1st April 2006, for all grades

- Consolidation of various bonus monies, described as overlay, over and above the 2.9% pay rise has led to significantly bigger pay rises for the following grades:

-	Postal Officer Admin	5.18%
-	Postal Assistant Cash Centre	4.23%
-	Postal Assistant Admin	9.49%
-	Personal Secretary	5.18%
-	Typist	5.19%
- For CSAs (the grade that was imposed in 2000) pay rises ranging from 3.21% to 9.64%
- NDA to be increased by 2.9% and to be paid 52 weeks a year from 1st April 2006

It should be noted that most of the NDA is performed by Cash Centre workers rather than Counter Clerks and as such, the PA (Cash Centre) is actually getting a 4.23% pay rise and this will flow through to hourly pay rates which in turn will increase NDA to the full value of 4.23%.

- £100 increase on both inner and outer London weighting from 1st April 2006. (This is identical to the Cash in Transit Agreement)
- A new Sales Incentive Scheme that will be in place for two years (including this financial year)
- Saturday Premium Multipliers to remain the same updated by 2.9% from October 2006
- Commitment to enter into meaningful negotiations as early as September on the future of the Crown Office network
- Removal of pay point 6 for CSAs, with the immediate move to pay point 7 for 113 people resulting in a 6.79% pay rise.

The removal of this pay point will aid progression through the pay points, thus enabling CSAs to attain the maximum pay rate more quickly.

Ballot Timetable

It is our intention to seek ratification of the agreement via an individual member's ballot, accordingly the following ballot timetable is proposed:

Despatch of ballot papers Friday 1st September

Ballot closes

Monday 18th September

This ballot timetable has been specifically designed to allow for the arrears of pay to be made with the September salaries.

Conclusion

This has been an exceptionally difficult set of negotiations that have also been very protracted. I am absolutely convinced that the final agreement as contained at **Appendix C** will be well supported by our members, who will understand fully how far we have been able to move POL in these negotiations.

POL were adamant that the "Final Offer" was as far as they could go and that they were unable to fund additional pay increases over and above 2.4%. The agreement we have reached not only increases basic pensionable pay by 2.9% (with full flow through to allowances from 1st October), it also increases basic pensionable pay for lower paid workers – PAs/CSAs, by considerably more than 2.9%.

Accordingly, whilst it has taken a long time to get to this position, it is not an exaggeration to say that this is a victory for the Union and its Counters members.

Finally, I would like to record my thanks and appreciation to a number of people who have contributed significantly at various stages of the negotiation. Their involvement and influence has helped to shape the overall package. The Postal Executive members involved were Ian Ward, Peter Donaghy, Norman Candy and former PE member Carl Maden. Additionally, we also received enormous help from our support staff, particularly Natalie Jacottet from Research.

Recommendations

1. That the document be agreed
2. That the pay agreement, as contained at **Appendix C**, be endorsed by the Postal Executive
3. That the actions of the Assistant Secretary and the negotiating team be endorsed
4. That suitable publicity arising from the decisions associated with the document be given

Andy Furey
Assistant Secretary



APPENDIXa&B.tif



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