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Our Ref : PTC/RE/dj/320

From the office of Ray Ellis | Assistant Secretary
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To : Romec Engineers

Dear Colleague

RE: Pay; Bonus; Breach of National Agreements

I wrote to you on 17 January 2011, following national talks with Romec. Since then two further meetings have taken place. I regret to say that no progress has been made.

Pay and Bonus

Romec has confirmed that the company is not prepared to make a pay offer until the union agrees measures to improve engineering efficiency.

The union has reiterated its position: Romec remains highly profitable – the company has achieved a profit of slightly under £10.2 million in engineering services, a net profit of 12%. This profitability has been achieved by efficiency improvements from engineers – revenue has remained flat, profit has gone up. Members have earned a decent pay rise.

We will, as always, discuss and agree appropriate measures to improve efficiency but the reward for this should be through a new engineering bonus scheme – as agreed by Romec as part of the 2010 pay deal.

Breach of National Agreements

Romec has continued to break the agreements on Masternaut 'trackers' and the use of handhelds. These agreements explicitly state that the systems should not be used for staff surveillance but Romec has stated, in a memo to BSM engineers, its intention to use them for that purpose. The memo threatened disciplinary action against engineers who managers felt were not working sufficiently hard or 'adjusting pay to reflect hours actually worked and individual efficiency and contribution'. I am aware of a number of cases which are now being brought against engineers using data obtained in breach of national agreements, in at least one of these relating to events which took place several months ago.

Since the memo was issued the union has repeatedly sought its withdrawal and assurances from Romec that the company will abide by national agreements. Romec has not been prepared to give these assurances.

Next Steps

It is clear that Romec has no intention of reaching agreement with the CWU on pay, engineering bonus or use of the work scheduling tool. This morning I received an email from John Fisher withdrawing an offer of improved standby/callout rates tabled by the company at the ACAS meeting and indicating that the company was preparing to move to compulsory standby cover in BSM. In BSI Romec has tabled proposals which would cut earnings, limit summer leave and oblige staff to take leave in the winter. Romec is clearly not interested in reaching agreement. The company intends to continue to break national agreements in order to use technology to snoop on individual engineers as part of a policy of covering up for management failures by blaming engineers and driving productivity improvements by threat and withholding pay.

I said in my last letter that if Romec was not prepared to change its position there would be no realistic alternative other than to consider an industrial action ballot. I have today written to Romec HR Director, John Fisher, requesting action to bring Romec back into line with its national agreements with the CWU. I have made it clear that if Romec is not prepared to do so the CWU Postal Executive Council has agreed to ballot engineers for industrial action. I hope that even at this late stage Mr Fisher will respond positively. If not, the intention is to ballot all Romec engineers on the company's failure to abide by national agreements.

We do not intend to ballot members on pay at this time. It is important that we resolve outstanding issues relating to engineers, including adherence to national agreements, the operation of the work scheduling tool, standby callout arrangements and engineering bonus terms acceptable to our engineering members. We are prepared to agree measures to improve engineering efficiency, based on honouring national agreements and providing engineers with appropriate remuneration for those improvements. We do not accept Romec's approach which amounts to driving engineering productivity improvements by threat, bullying and driving people out of the company, in order to fund a pay rise for the entire Romec workforce. We believe Romec staff have earned a pay rise based on Romec's performance in a difficult year. Specific engineering efficiency improvements need to be agreed with CWU and remunerated through an appropriate engineering bonus scheme as agreed with Romec in the 2010 pay deal.

Yours sincerely



Ray Ellis
ASSISTANT SECRETARY