

No. 123/19

22nd February 2019

Dear Colleague,

Royal Mail Group Holiday Pay

Branches will be aware that the Union has been attempting to conclude a collective National Agreement with Royal Mail Group in relation to the long-standing but extremely complex issue of holiday pay (average pay on leave).

We believe that the law requires holiday pay to be calculated on the basis of the relevant employee's normal pay (including overtime pay that is regularly earned, whether the overtime is compulsory, voluntary or something in between). We are also extremely clear that a National Agreement will prove the easiest way to bring this matter to a successful conclusion.

It is evident that joint mutual interest activity emanating from the Four Pillars Agreement has already resulted in a significant number of part-time members receiving additional contracted hours. Whilst this has mitigated the matter to some extent and the Union has been pursuing further increased contract variations going forward, Royal Mail Group continue to drag their feet on this issue.

I wrote to the Business on 3rd August 2018 to request that a modern and fair solution be found in line with the clear direction of travel on this matter. This correspondence was communicated to Branches via LTB 472/18. Despite this reasonable proposal, the Business continues to insist that the issue of holiday pay is a grey area in law that remains unclear and therefore cannot be resolved via a National Agreement at this time. This formed part of a response from Mike Newby (ER/IR Director) that is attached for the information of Branches.

Since this time there have been further talks between the respective legal parties, but it is wholly evident that Royal Mail Group appears to have little incentive to conclude a timely National Agreement.

The financial state of the business may well have had an impact both on their willingness to meaningfully engage with the Union and the current state of flux. It is also evident that as the legal position has developed and time has passed, they have chosen to settle a limited number of claims on an individual basis.

In law, the holiday pay calculation only applies to the first twenty days of holiday each year, inclusive of Bank Holidays. The current impasse is not about the various grades or indeed a distinction between full-time and part-time but about additional regular overtime (and regular bonus payments in MDEC's). Put simply, it is employer versus employee.

Despite our best efforts and continued pressure, Branches will see that we have still been unable to get Royal Mail Group to the table to resume reasonable discussions, in order to collectively resolve our justifiable claim for regular and reoccurring overtime to be included in the calculation for holiday pay. The matter of overtime and holiday pay has now meandered on for some considerable time through legal channels and regrettably we have been left with no option but to pursue this through different avenues.

In conjunction with the Legal Services Department an eleven step process has been drafted (attached). This will provide Divisional Representatives, Branches and PFW Regional Organisers with a step by step guide, illustrating how to take claims for the "non-payment of holiday pay" forward.

This will initially concentrate on submitting a test case from each postcode area throughout the Country. In the event that Royal Mail Group still refuse to negotiate, the intention is then to widen the strategy by grouping the cases raised in their respective postcode areas to be submitted as a collective claim against Royal Mail Group.

Clearly this is not an insignificant piece of work, given that in excess of 70,000 Royal Mail Group employees potentially perform regular overtime. Consequently this activity will require considerable co-ordination between CWU HQ, Branches, Divisional Representatives (who have been briefed on the process) and PFW Regional Organisers (who will be briefed on the process next week).

Unfortunately Royal Mail Group does not seem to appreciate the urgency of this matter, despite being given every opportunity to negotiate in a reasonable manner. The Union can wait no longer and it is therefore incumbent on Divisional Representatives (Lead Divisional Representatives listed below), Branches and PFW Regional Organisers to take this forward in line with the attached process.

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In closing, I would like to thank Branches and members for their continued patience and input.

Any enquiries in relation to the content of this LTB should be addressed to the DGS(P) Department and further updates will be issued in due course.

Yours sincerely,



Terry Pullinger
Deputy General Secretary (Postal)