

No: 135/20

17<sup>th</sup> March 2020

## For the Immediate Attention of All:

Postal Branches with Quadrant Members

Dear Colleagues

### QUADRANT PAY AGREEMENT 2020

Branches will recall that in recent years the pay review date for Quadrant members was moved to April each year, in order to align with the annual review of the National Living Wage. As in previous years both parties were committed to early discussions in 2020 to ensure that any agreed arrangements can be concluded to meet the April deadline. Discussions have therefore been taking place with Compass Group to meet that aspiration.

It would be fair to say however that two issues have had a significant bearing on the talks. Firstly, the decision by Royal Mail to move to a tender process for the future of Catering Provision across the business. Branches will be aware that while Compass Group/Quadrant have advanced to the latter stages of the tender process, no final decision has as yet been taken by Royal Mail. The CWU continue to campaign for the retention of Quadrant as the sole catering supplier to Royal Mail Group and are committed to protecting the job security of our Quadrant members.

In addition, in 2020 the annual review of the National Living Wage has produced a 6.2% rise, from £8.21 to £8.72 per hour. The department's aspiration remained to continue to keep our Grade C members above the National minimum, which in Quadrant would require a rise of 4.6% just to match the April 2020 rate. Clearly for our Grade C members this far outstrips not only the rate of inflation measured by RPI at 2.2% but also the median level of pay increases for the sector, currently 2.3% as advised by the CWU Research Department.

To ensure that we did not just match the legal minimum but retain a differential the focus for this year has therefore been on maximising the increase in basic pay. We also sought to retain a universal percentage rise across all grades. Branches will also be aware that the 2019 pay settlement set Premium Overtime Rates (above 37.5 hours) at £1 above the appropriate hourly rate for each grade and as such they will automatically move with any increase to basic pay.

Following positive discussions, a negotiators agreement has been reached with Compass Group/Quadrant on a pay settlement, which has been endorsed by the Postal Executive at its meeting today the 17<sup>th</sup> March 2020.

The agreement meets the CWU aspiration of retaining a differential with the National Living Wage for our Grade C members, while delivering percentage pay rises for all grades which are extremely favourable when considered against inflation.

The agreement has two phases:

- All grades will receive a 5% increase in basic pay from 1<sup>st</sup> April 2020.
- All grades will receive a further 1% increase in basic pay from 1<sup>st</sup> October 2020.

The agreement represents a full year increase to the value of 5.7% with an exit rate of 6%. For our Grade C members, the rate from October 2020 increases the current level of differential over the National minimum, which in the circumstances we believe is a significant achievement. The next pay review date will be April 2021.

Given the current situation the Postal Executive has no hesitation in recommending the 2020 Quadrant Pay Agreement to our Quadrant members.

Arrangements and a timetable are currently being confirmed with the SDGS department for a ballot of our Quadrant members in order to ensure that the increases can be included in April salaries.

Any enquiries in relation to this LTB should be addressed to Davie Robertson, Assistant Secretary, email: shayman@cwu.org, quoting reference 301.09.

Yours sincerely

**Davie Robertson**  
Assistant Secretary