

No: 427/2020

24<sup>th</sup> August 2020

**For the Immediate Attention of All:**

Postal Branches  
Divisional Representatives  
Parcelforce Regional Organisers

Dear Colleagues

**Royal Mail Review of Future Catering Provision Tender Activity (Quadrant Joint Venture) – Contract Announcement**

Branches and representatives are advised that further to LTB 371/20 the department has now been informed by Royal Mail that the Review of Catering Services has been concluded and that the commercial contract for the provision of catering services to RMG has been awarded to Compass Group.

We understand that both Royal Mail and Compass Group and Quadrant will be issuing communications today to announce the outcome of the tender activity.

The new 5-year contract will commence from 1<sup>st</sup> October 2020 until October 2025 and will maintain the current operational model and service offering to our Royal Mail members. **Existing Quadrant facilities and services will be unaffected by the transfer of contract and all Quadrant members will continue in their current roles under the terms of the new contract.** Royal Mail has indicated that in 2021 the new contract will include a revised look and feel with new menus across all catered sites.

Branches will be aware that since 1998 catering provision has been the subject of a Joint Venture (JV) between Royal Mail and Compass Group, with the catering operation and our members solely managed by Quadrant Catering, a trading entity of Compass Group.

We have been informed that as part of the contractual negotiations a decision has been taken by the parties to dissolve the Quadrant Joint Venture and that Compass Group have won the new contract on a more traditional commercial basis. The CWU did not support the dissolution of the JV, however the decision to do so was taken between RMG and Compass Group and the CWU was not party to those discussions.

While effectively our Quadrant members have been employed by Compass Group as part of the Joint Venture, the dissolution of that Joint Venture will mean that Quadrant will cease to trade and employees will move to sole employment with Compass Group. This will necessitate formal discussions in line with the Transfer of Undertakings Protection of Employment (TUPE) Regulations.

The department has had an initial meeting with Compass Group/Quadrant in advance of formal TUPE discussions commencing. Those initial discussions have been extremely positive and the department has received assurances on the following issues:

- That all Quadrant Employees will be eligible to automatically transfer to employment in Compass Group.
- That all current roles and attendance patterns will be unaltered and that there will be no headcount reduction as a result of the contractual change.
- That all current Terms and Conditions and continuity of service will automatically flow through to employment with Compass Group.
- That the CWU will remain the recognised trade union and that all National agreements will remain in place.
- All of the above points will be confirmed as part of the formal TUPE process.

In addition to the formal TUPE consultation activity with Compass Group the department has also commenced discussions with Royal Mail Group to agree arrangements to ensure that the decision to dissolve the Joint Venture does not have any material adverse effect on our Quadrant members.

Where necessary it has been agreed that those discussions will be tripartite involving the CWU, Royal Mail and Compass Group. This will also include discussions on Pension entitlements, which are not considered “in scope” with regard to TUPE Regulations.

Clearly today’s announcements will bring some clarity around the new contract and reassure our Quadrant members in terms of their employment security. However, we fully understand that even with the assurances already given our members will want to understand the implications of the TUPE process. These discussions are not bound by commercial confidentiality and will now move at pace ahead of the Service Transfer date. Regular updates will be provided to our Quadrant members as further details are confirmed.

Any enquiries in relation to this LTB should be addressed to Davie Robertson, Assistant Secretary, email: [dwyatt@cwu.org](mailto:dwyatt@cwu.org) quoting reference: 311.02

Yours sincerely

**Davie Robertson**  
Assistant Secretary