

## Transcript for Terry Pullinger's Update – 04/09/2020

**Chris Webb - CW**

**Terry Pullinger – TP**

**CW:** Afternoon everybody, welcome to CWU-live. A little different this time - we're not live, this is recorded.

Lots and lots of you have been asking what's going on with the Royal Mail Group negotiations, so we thought who better to go and have a chat with than the deputy general secretary (postal) Terry Pullinger.

The man leading the negotiations on behalf of the union.

Afternoon Terry.

**TP:** Hello Chris, you all right?

**CW:** Yeah, I'm very good mate, good to have you with us.

We've got a lot of questions for you, but it's only right, as we haven't spoken with you for a couple of weeks, if you could give the members an overview of where we're up to with the talks?

**TP:** Last time we did this, we were just going into talks. We were trying to move forward the aspects of the joint statement.

And also, I'm sure, as far as our members are concerned, their pay rise for this year, their pay deal.

So, we've just come out of two weeks, intense, we've been locked away with them, meeting face-to-face.

We've been in London for the last three days and of course most of last week as well.

Trying to move these issues forward.

Very, very difficult, very complicated.

I'd like to place on record my thanks to my fellow officers and members of the negotiating team of the CWU.

Because this has been extremely intense - and tough at times.

But we are sticking to the task and trying to get the right things for our members.

The right protections and the right rewards as well.

In respect of how we were moving this forward - and I think everybody knows there's some very difficult circumstances surrounding Royal Mail and its current financial position, which is serious, and which requires a response to get it back into financial health.

And the union's up for doing that.

We've got our dispute - and the issues of our dispute are still live.

We've got issues of pay, we've got all sorts of stuff.

And there are a lot of dynamics going around these talks that influence them, in my opinion, which I will touch on.

But it becomes very complicated when you go into detail with it.

So, probably the easiest way is, if people do recall, we got a joint statement with the new executive chairman and the CEO of Royal Mail some time ago about how we would structure it, how we would move things forward.

It was a logical 'path' through the different issues.

So, the first thing was to understand the financial position of the company and, as I've said, we all know what that is and it requires a response.

The second thing was to do some 'light-touch' revisions where that was possible, bearing in mind we still had the pandemic.

But we'd do what we could do to make ourselves more efficient in the operation.

It was also to move forward on some of the trials that had got lost in our dispute.

Trials that may influence how we work in the future.

And also deal with some of the machine-moves and post-box strategy stuff that had also got 'locked-up' in it.

So, we've sorted most of that stuff out, how we can deal with that. Sorted out to some degree over the last few weeks.

We're in a good position on that stuff in the talks, in my opinion. We've got negotiators' agreements which have been cleared by the executive of the union.

But then, on other issues, we keep running into complications.

The third part of the joint statement was we would have a pay deal in place.

This was meant to have been concluded by the end of July.

Quite clearly, our argument, of the union, was that our members should, without doubt, be rewarded. Notwithstanding the financial situation, if we're talking about a response or a 'recovery plan', there's no reason within that why our members shouldn't have a pay deal.

But there are very, very strong reasons why they should have a pay deal this year regardless.

And that is of course the effort they've put in during this pandemic, as key workers.

There are national campaigns for key workers to be rewarded, to have pay rises.

And that stands for our members as well as far as we're concerned.

They've done an absolutely amazing job.

We know there's been much, much more parcel traffic.

We know we had the decline in letters.

That complicates how the job gets done and puts pressure on our people as well.

And they've been fantastic.

We know there have been problems and we know there's a lot of frustration.

But in terms of getting the stuff through, and keeping the people of this country connected, they've done that.

And they deserve a pay award for that alone in our opinion.

Let alone your standard pay deal.

We haven't had an offer on pay from the company.

In fact, now they're talking about not a one-year pay deal, but a multi-year pay deal, which connects all the changes that have to take place with automation and parcels and all the different issues that we've got to deal going forward - a shorter working week etc.

They're trying to put it into that, which is why this is dragging.

So, moving away from a one-year pay deal - and, in my opinion, I believe it's the Board who are pushing that - is I think extremely dangerous and I think it's unproductive.

Because we are likely to have, in terms of parcels - although they're more expensive to deliver and we know we haven't got the automation in place at the moment etc - you know they've gone 'through the roof'.

Parcels have gone way beyond expectations, in contrast to letters, which really haven't recovered and have really dipped.

But of course, we're about to go into the autumn pressure period.

So, we want our people in the best place really and we want morale as best as we can get it, despite the circumstances of where we are in this country, not just in Royal Mail at the moment.

And clearly, rewarding them, genuinely rewarding them, saying: 'Thank you' and things like that would have helped - wouldn't resolve all the pressures we're going to have during that pressure period, but it would certainly have helped.

I don't think it's helpful at all to ask our people to not only do what they've done through this pandemic, but do what we know is going to be required during the autumn pressure, which will benefit the company and will be good for us, but to ask them to do all that with no reward whatsoever.

Especially as we know the managers this month, if they haven't already had it, are getting a 2.7% pay deal.

Now we know there's been a massive 'cull' of the managers at a higher level, but at the lower level, the people who are with our members, in the offices and the same units, that effectively send our members out on the street to do it every day, they're getting a 2.7% pay rise and our members have got nothing.

Now I think that is creating a pressure point in very difficult negotiations and it is unnecessary.

And we are urging the company to reflect on that.

In terms of the pressure points and what complicated it, of course the framework said we would talk 'about everything'.

And 'everything' includes what we're going to look like in the future.

How we're going to shape up for more parcels than letters.

How they're going to automate parcels to be more efficient etc...

All the things they weren't negotiating with us, and why we were in dispute.

We've got to have those negotiations and it's got to happen.

But what we're also of course surrounded by is, I believe, a lot of noise from amongst the shareholder 'community' and I think there's pressure on the Board, as a consequence of that.

I think some of that pressure could even be threat-centred pressure, such as, for example: "If you don't do something quickly, if you don't drive pressure beyond what the union might want, then we will force you to sell GLS". Or other pressures.

That's me giving my very basic view of what, potentially, could be going on with shareholders. Some people buying up shares and then putting pressure on the company. That may have affected the dynamics of these talks.

There's a shareholder AGM next Tuesday, so I would imagine they're very much trying to control the situation, depending on what they want to say at that shareholder AGM next Tuesday.

That will reveal a lot to us about where we're going I suspect. So it may be that they're just trying to get past next Tuesday, but that's a real dynamic. And of course, the other dynamic is the upcoming Ofcom Review of the regulation surrounding Royal Mail Group.

In that Ofcom Review, they look at user needs. So yes, it will talk about the USO.

We don't know, will it recommend a reduction? The union's position is crystal clear.

We want to protect and promote the six-day USO, we believe it's important to this country. Of course, ultimately, the decision on that is out of our hands. The Government will decide whether they're going to reduce the USO. But the Regulator, Ofcom, in its Consultation, will give the Government a strong 'steer' on whether that should be reduced or not. But it isn't just the USO.

It's also the regulatory framework, which many of our competitors will, in my opinion, be lobbying to try and change that regulatory framework to either downstream-access parcels into our organisation or try and effectively take over or compete on our upstream activity, which could be massively damaging to the finances of this company. Which is still a great public service.

So it's not just the USO, it's the whole regulatory framework. And that's lurking, in the background.

The Regulator's push-back, constantly, to Royal Mail is: 'You're not efficient enough'. Now sometimes that 'efficiency' is affected, in their view by our members' terms and conditions.

So all of this stuff is floating around these talks, which make it incredibly difficult. However, other than (not) securing a pay award, which I think is really, really damaging to what we're trying to do here - and there's been no offer whatsoever by the way, even if it

was a three-year one, there's been no offer, no percentages, nothing put on the table at this moment in time.

It's stopping us having the real deep conversation we need to have about the future. So, it's really tough.

We're dealing with all the issues. We're trying to weigh up all the different things that could affect our members' future security.

Not just their reward on pay, bit job security and all that stuff. And we're seeing it across our union Chris.

Our BT members are fighting for the right to not have compulsory redundancy, but they're still going to face job losses and there are job losses right across this country. And it's very easy for Board members or shareholders to suggest that Royal Mail should follow suit.

So, we're holding back a number of issues. We are negotiating with the right attitude. We have made some progress on some big statements, like no compulsory redundancy and things like that, as we do our plan going forward, the role of the union. There has been some good conversation.

The fact that we're not looking, over the next three years, to close loads of mail centres, or delivery offices.

But we are absolutely adamant, and we're saying this to to the employer that there has to be an offer on pay.

If there isn't, then we're going to be clashing again. It's emotional intelligence.

I don't see how the company are going to take the people with them if they just keep asking more and more of our people and not giving them some sort of reward, which I think everybody across this country would agree that our members deserve. So that's where we are.

It's incredibly difficult. I know it's frustrating for our members. These are some of the toughest talks that I've ever known. There are so many outside factors that seem to be pressing up and putting pressure on those talks.

And we're trying to unravel that and get through it. The executive is helping us as well - we go back and report to them. And just to say this Chris, on this last bit.

Next week, Monday, Tuesday, Wednesday, we're getting all our senior field officials and the executive together in one place, face-to-face.

It was very difficult to arrange because of, obviously, all the Covid rules.

But we've managed to do it.

As long as everyone adheres to the rules etc.

To get them together, so that they can be fully updated and appraised of all main detail around this issue.

And the union can start seriously thinking about what we're going to do next.

If, indeed, there's no movement from the employer on the key issues.

**CW:** Thank you Terry.

A really comprehensive update there.

Just a few questions.

You touched there, just as you were closing up on the frustration that you understand - and I'm sure you feel exactly the same leading in those negotiations.

We see when we do these broadcasts. And you know with the experience you've got that negotiations can take some time. And often take some twists and turns as well.

But we see a frustration from the members who perhaps simplify things and say like:

'Where's our pay deal?' 'When are you going to sort this out?'

In many ways, what in a lot of ways is a three-year dispute was probably never going to take just a few weeks to resolve and it's the 'big-ticket' issues as you've outlined there.

But what would you say to the members who are saying like: 'Come on, get on with it. We want our pay deal we want this done'.

What would you say to that group of members, who always support the union when it matters as well?

**TP:** I would say that I get it. I totally get it.

And we are representing you - have no doubt about that.

We are representing you as strongly as possible.

What I'd say is we have to balance a number of factors.

We can't just walk out of the room, because there are so many other issues that could hurt you.

As well as getting you a pay rise, we've also got to protect you.

We've got to protect your jobs - we've got to protect as many jobs as we can.

These jobs are crucial.

I think I read yesterday that workers at Heathrow are being told unless they take a 10% or 20% pay cut they'll be losing their jobs.

These are the sort of things that are going around.

And what I'm saying is I think those things are influencing Board members or shareholders or even senior managers at Royal Mail - are they thinking: 'Why aren't we doing that?' 'Everyone else is doing that, why have we got to have a "recovery plan". Why don't we just steam in and hurt them'?

But this union is standing those that would want to do that and you the member.  
So, I totally understand.

I've walked in your shoes - so have all the other officers.  
I've been on the floor with every pay deal I didn't think was good enough and I understand all that.

There's a little bit here Chris, I mean people do realise.  
I credit our people with far more intelligence than I think sometimes these people on Boards and that do.  
And our people know the score.  
You've got home economics, haven't you? You know you've got bills to pay and if you've not got enough money coming in and you've got to get more money coming in and you've got to find a way of spreading the cost.

You've got to this sort of stuff.  
Well, it isn't rocket science.  
That's what it is in the business as well.  
And the union's trying to argue that the best way to do that, so that we can deal with the situation with Royal Mail and the challenges they've got financially.  
Some of those financial challenges are a product of the pandemic - and I've said before and I can't understand for the life of me why they're not making that argument to the Government.

Royal Mail is paying, during this pandemic, to keep people of this country connected.  
Things like 'one-in-a-van' are costing an absolute fortune.

But nevertheless, they don't seem to have made any noise about that.  
But we're trying to weave through all that and it's not an easy conundrum is it?

**TP:** People are saying at the moment that Royal Mail could be losing something in the region of £400 million next year.  
We're in there trying to protect our members, protect jobs, no compulsory redundancy, we'll deal with the challenges.  
We want you to have a pay rise because you should have it.  
We've got to try and keep pace with inflation.  
But not just that - they agreed to it in the joint statement by the way.  
Bit that's what we're in there fighting for.  
So, I totally understand your position.  
I would be probably saying exactly the same thing.  
All I can tell you is, we are absolutely - as we have done for the last three years - representing you with everything we've got.

We are determined that they won't 'leg' you over.

We couldn't be stronger in these negotiations.

Our records goes before us - we couldn't have been stronger these last three years could we?

We haven't just walked in that room and suddenly we're giving all our views up - we're not. We're going in strong.

We know there's an agreement that's got to be made.

And we'll get the best deal for you.

The problem we could have is will managers do things locally that'll antagonise people?

So, if it's not bad enough having no reward of a pay deal, we're also getting little bits of information now that they are trying to push revisions, trying to get back to that.

There are some places where they're trying to press up, the managers.

Well, then they're doubling up the tensions.

So Royal Mail, or the press or the Regulator, don't come running to us if we have to 'kick off' again.

Because if you force us.

We will defend our members.

**CW:** Thanks Terry.

I just want to talk a little bit about the timeline and the next steps.

You said you've got the senior officials together for a briefing next week.

So, one question would be: Are you planning to be putting out any updates from the briefing next week?

And the second question would be: Are there any meetings planned with the employer going forward now?

**TP:** We'll certainly take next week. We've got you and your team up here Chris and so that'll be professionally done, we'll be trying to feed back.

We've got presentations from Royal Mail, so that our activists, and our executive members will be able to hear all the stuff that's being said to us. That's total transparency.

We're all in this together and they will understand the bits we're trying to weave together here and we're trying to move forward and what the essential barriers are.

Some of that stuff Chris, may be commercially sensitive.

It's a private company, there are shareholders, and there are rules about some of this stuff.

So that's an added, sort of, complication.

But we will be as transparent as we can be.

As we always have.

Hopefully without getting us into too much trouble.

But my view is, we're honest with our people.

I'm honest with management.

I told them I'm doing this today.

And I told them what I was going to say.

I've been balanced

I've said there's been progress on some issues.

We've got some protections in place.

But I genuinely believe their position now - which is at odds with the joint statement - is really complicating and making life more difficult.

Because, once we go into a longer-term deal, we've got to resolve the issues in dispute, we've got to deal with our shorter working week.

And whatever people think about the shorter working week, I believe it's absolutely crucial to protecting jobs in the future, and it's part of our 2018 agreement that they've said they'll honour.

But all of this stuff, you've got to fund it all at the same time as the recovery plan.

All of that's doable in our opinion, but, to repeat, you've got these 'outside factors' coming in.

But, with yourselves Chris, we'll try as best as possible to keep people updated.

And no doubt we'll get views and opinions from some of our field officials.

Because what the executive needs to do next week, we need to hear what people think and then, on the full knowledge of where management are and on the full knowledge of where our senior field officials are etc, we then have to go in a room and decide how we can move things forward if the situation doesn't change.

So, very important next week.

And, hopefully that'll make for some really good comms.

And hopefully, people will understand a bit better.

**CW:** Thanks Terry and just to follow up, is there a prospect of any further meetings with the employer going forward?

**TP:** We've booked the following week.

We've booked dates in again. On London at the moment because, believe it or not, they will only use their building.

Normally, we would have met on 'neutral territory'.

But we're in there and there have been moments when we could have just turned the table upside-down and walked out, but we haven't.

We're sticking to it.

We want to know all the issues.

This is too important.

This great public service is too important.

Our members are too important.

And if it is something we have to end up fighting for again, then we will fight for it on all the knowledge that we have gathered and on all the reasons that we can explain to the public and everyone else and our members.

If it goes that way.

So, as I say, it's difficult.

There are times when I think it could go either way.

It could get ugly.

You get this sense there are too many people poking their noses in from other areas or causing pressure from other areas that's maybe holding us up.

But hopefully we'll get there.

That's certainly what we want.

We want an agreement that protects this industry, this great public service, and protects our members.

And hopefully, people like the Regulator and the Government won't just tear that from under us.

**CW:** Thanks Terry. Just going to ask you now if you want to take a moment or two to give a final message or any things you want to say to our members who are watching this.

**TP:** Well I suppose the things I'd say are not really what people want to hear. And that is, we do have to see what's going on around us. There's no doubt about it. There are people out there now. It's going on. Solidarity to our BT members who are really standing up to their challenge as well. And of course, with our full support of anything we can give them. Because I don't think there are many doing it now. There's not many who stand up the way we do. Given the pressures and given the circumstances, I think it's a reflection of great respect of what you are as a union and how strong you stand together that they're even talking to us. I think we've probably got 'hawks' and 'doves' on the Board and the "hawks" would say: 'Why are we even bothering'? Which is where we were of course. And we just hope the 'doves', the people with common sense, manage to force the issue. Because we can deal with this. We can get an agreement. We can look after you. We can protect people. Going forward, we've always known there are going to be job losses. As there have been in the past. But we will insist, not only that there are no compulsory redundancies, but that it's all dealt with in line with our own MTSF agreement. There are those who would argue that the terms are too 'generous' and all this sort of stuff. All they want to do is attack working people, attack you and reduce everything. And they badge it as 'efficiency'. Efficiency, to me, I say let's talk about productivity. And I think the vast majority of our members do a terrific day's work for a fair day's pay. And that's what we've got to maintain. A fair day's work for a fair day's pay. And we can't just sit around and you not get a pay rise and you not be rewarded for what you've done. But we can deal with the future. So, my message is: Your union is in the right place. Your union is absolutely representing your best interests.

**TP:** It's incredibly tough. There are some incredibly aggressive people around at the moment at the top of industries, right across this country, and some of them are almost like bullies being allowed to do what they want. We ain't allowing them to do what they want. We will always hold them to commitments to mutual-interest agreement.

And in the talks we've been having, both parties have maintained a professional way of dealing with very difficult negotiations.  
Bit of course there always comes a point when...what do we do next if we're not making the right type of progress.  
Not just for us, but for them as well I expect.  
But trust me.  
We haven't let you down and we'll never let you down.  
We haven't let you down in the last years in representing your best interests.

**TP:** We changed the dynamic of this company when the previous CEO absolutely would've run this business into the ground.  
We've got new people there.  
They've got pressures on them.  
And we are trying to impose our views about the way we can deal with the future.  
And I repeat: That protects a magnificent public service and protects every one of our magnificent members, their standard of living, their job security, and the way issues are dealt with.  
If we can do that in this current era, then I tell you, we will be right up there with the best unions in the way we are dealing with, as I say, very aggressive people trying to gather their money at the expense of good and decent working people.  
That's something we won't have.

**CW:** Thank you Terry.  
I want to say thanks to you.  
I know you've had a long week of negotiations, you've had you're executive today.  
So as always, the first thing you've chosen to do is come a front up to the members and I know that they will appreciate that.  
Terry and myself would like to thank everybody who's tuned in.  
Please share the video and keep it going as far as you possibly can.  
Get it into every single workplace.  
Terry's derails there.  
We're going to be giving you more updates next week from your field officials' and executives' briefing.  
All that's left for us to do is to say: Good evening and please, please share the video.

**TP:** Thanks everyone - good luck.