



NATIONAL INDUSTRIAL ACTION BALLOT 2009 MEMBERS' BRIEFING

 **VOTE YES**

www.cwu.org

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Why a dispute? Why now?

The CWU has long recognised that the combined challenges of competition, pensions and the need to adapt to a rapidly changing world of communications leaves you facing change on a scale greater than any other industry.

Government privatisation dogma and the recession have made the situation even more complex.

Against this background, the union's key objective has been to tackle these unprecedented challenges in a way that is in the long-term interests of you, our members, and the service you provide.


From the outset, we have been consistent in stating that building a modern and successful Royal Mail is dependent upon political and industrial solutions to the crucial issues of modernisation, pensions and competition.

However, despite the explicit commitments Royal Mail made in 2007 – to introduce change by agreement and that 2007 was not the end of the negotiating or agreement process on modernisation – it has become increasingly obvious in offices across the whole of the UK that the company has reverted to the attitude of “we make the decisions, you do as you are told.”

Furthermore, whilst the Government's decision to step back from privatisation was very welcome, walking away from pensions and competition is a total abrogation of its responsibilities. Royal Mail's response to this has been to see it as the green light to press ahead with imposing change.

The notion that Royal Mail can force through the sheer scale of change it is planning without national agreements to shape the future and protect, safeguard and enhance your terms and conditions is not right. It is deeply unfair that postal workers are being treated in this way.

Even worse, this unfair treatment is being handed out by the same management team who have been roundly criticised by both the Government and the Hooper Report, public criticisms which included the following:



Billy Hayes
General Secretary



Dave Ward
Deputy General Secretary



CWU
The communications union

In September 2009 the trustees of the scheme are due to announce the results of the next valuation, which is expected to show that the deficit has risen over £10 billion. The Post Office chairman has already stated in the press that without government intervention, the only answer to this problem is the total closure of the existing pension scheme and its replacement with a cheaper alternative.

The reality is if we don't make this an issue then we can be sure both the Government and Royal Mail will and it is essential that you are aware of what is likely to take place in the next few weeks.

The Government's Role

We need to build on the success of our Keep the Post Public campaign. Now that we have secured the future of Royal Mail in the public sector, it is crucial that we secure government support for a successful future.

As part of this, we need to continue to campaign for the Government to create the environment in which Royal Mail and CWU work together to deliver a shared version of modernisation. We are not asking the Government to intervene to "stop modernisation" as Lord Mandelson recently claimed. We support modernisation but want Royal Mail to work with us. The Government can help in removing the obstacles to this by pushing Royal Mail to direct negotiations with the union.

In addition, the Government has a responsibility to remove hindrances to the success of the company. Primary in this is the absolute need for them to fully fund the pension deficit to free the company from this crippling burden. They must also find a better solution on regulation, ensuring a level playing field, enshrining the Universal service and ending the current advantages to competitors when they access the network.

- That Royal Mail failed to engage the union and the workforce.
- That Royal Mail's numbers, finances and performance figures are not transparent.
- That Royal Mail's management team does not possess the skills or expertise required to successfully transform the company.

It is against this background that the union's leadership enacted your conference decision, supported by all branches, to hold a national industrial action ballot. Prior to taking this decision, the union tried every conceivable angle to bring about a fairer approach from the company.

In January 2009, we wrote to Royal Mail chief executive, Adam Crozier calling for an industrial relations summit. We knew then that a fresh approach to industrial relations was essential and we accepted that the union also had to look at itself. But this initiative was rejected by the company.

In recent weeks, we have made a series of genuine offers in an attempt to avoid both current strike action and a national dispute. Included in these offers was the opportunity for sensible local change, a three-month moratorium on strike action and managerial executive action, creating the environment for intense national negotiations to jointly move forward, at pace, the transformation of the business.

All of these offers have been rejected by the company and we have no alternative other than to proceed with this national ballot.

We do, however, remain committed to finding a way forward through negotiation and the remainder of this document will tell you exactly what is happening.

The 2007 Pay and Modernisation Agreement in perspective

We know the 2007 agreement was not popular with many of you – albeit it was supported a 2:1 majority - this is because it dealt with difficult change. However, we were always clear that these changes were never going to go away. This agreement did

reward you for change through enhanced basic pay, lump sums and local bonus opportunities whilst protecting earnings and allowances. The 2007 agreement gave area and local reps the right to jointly introduce flexibility on a fair basis, utilising the IR framework, allowing us to develop innovative attendance patterns whilst maintaining shorter Saturdays. The union accepts that, given Royal Mail's abuse of the flexibility arrangements, this must now be reviewed.

Crucially, the deal provided the framework for further national negotiations and further national agreements on modernisation. These were intended to cover the future of delivery, mail centres and the network, a review of job security, further enhancements to terms and conditions, whilst shaping what our members' jobs would look like in a highly automated environment.

Whatever people's views are, the fact remains had Royal Mail fully and fairly deployed the 2007 agreement, both in spirit and content, we would not be in the position we now find ourselves in.

What was not in the 2007 agreement – or any agreement with the union – were Royal Mail's unrealistic budget demands, which came forward at the same time as the company put off investment in proper modernisation and walked away from virtually all national agreements.

Contrary to what Royal Mail claims, every single office in the UK contributed savings as part of Phase 2 and Phase 3 of the agreement. Royal Mail HQ signed off every single office in the UK as having implemented the agreement via their own robust audit process. It is also worth pointing out that Royal Mail wrote to every single employee thanking them for their efforts in fully deploying the agreement which resulted in the company outperforming all of its financial targets.

The company only began to state that some offices had not participated in the agreement when the union reacted to management's unrealistic budget demands and its refusal to negotiate Phase 4 of the deal

Currently, there are over 400 offices that have requested local industrial action ballots. Virtually all of these offices are in this situation because they supported the union's policy of non-cooperation when Royal Mail broke our agreement.

Another example of where Royal Mail breached the agreement is when it announced further mail centre closures in the North West even though it had committed to reaching national agreements with us on mail centres. This still remains a crucial issue in our dispute.

- We want a 35-hour working week. This is necessary to protect full-time jobs, cope with the physical demands of the job and ensure all of our members receive their share in benefits from new automation. We are willing to explore with the company how this can be done without adding to existing costs.
- A modern business requires modern and improved attendance patterns. We want you to have more quality time away from work. We must find an acceptable solution to on-going problems with Saturday attendances. We believe it is possible to reach agreement on attendance patterns that maintain a six-day service but ensure there is a resourcing mix which allows our members to enjoy weekends off.
- We want local change to be incentivised so that you can share in the savings made.
- We want to introduce best UK practice for maternity / paternity leave and therefore enhance family-friendly policies.
- We want to review remaining colleague share monies to ensure that these are not used as a substitute for the fundamental improvements to the terms and conditions that you deserve.

3. The future of our industry - we want an agreed shared vision of modernisation:

- A clear and joined up operational plan – not Royal Mail's current piece-meal approach.
- A new delivery model that should be heavily influenced by our own delivery blueprint which puts our members' jobs, workload and customer services at the forefront.
- The future of Mail Centres must be resolved or Royal Mail will continue to close offices on a whim without taking any account of the impact on your lives.
- And we must build on our vision for the Network to grow and take advantage of new work opportunities.

Pensions

We know the issue of pensions remains hugely important to you and that many of you are still angry about the changes that were imposed in 2008.

The union remains determined to secure a better deal for you and also ensure that the burden of an ever-increasing pension deficit is removed from the company. However, we accept that a solution can only be found with the intervention of government.

It is about whether or not the CWU – an independent trade union – continues to represent you in the workplace.

To resolve this dispute it is vital the union achieves national agreements on a range of crucial issues that will shape and take forward modernisation. This is what Royal Mail signed into in 2007 and those commitments must be honoured. The national agreements we are seeking cover the following issues and will impact on all of us.

1. Job security - we want a new job security agreement that:

- Ensures no compulsory redundancies.
- Sustains full-time jobs with an agreed ratio on the mix with part-time employment.
- Allows local offices to negotiate the resourcing mix particularly when vacancies occur.
- Deals more effectively with mail centre / office closures and ensures that these are not just done at the whim of management.
- Offers realistic alternative jobs, taking into account age, work experience and distance.
- Provides easier access to voluntary redundancy for those who want it and takes into account the workload of those who remain.
- Standardises contracts of employment and moves away from Royal Mail's current zero-hour approach.
- Develops training packages for those volunteering to leave the business.

2. Improved employee benefit packages :

In recent national agreements Royal Mail has continually signed into commitments that in return for change our members will receive further enhancements to their terms and conditions. We must ensure that Royal Mail honour these commitments - the alternative is Royal Mail will drive down pay and conditions.

- We want a modern approach to pay and we will continue to prioritise basic pay as well as looking to maintain earnings levels.

What's Happening in Talks?

Royal Mail claims there have been 50 meetings with the union this year, but this is irrelevant. The union discusses many issues with Royal Mail, but there have not been 50 meetings or anything like it to resolve this dispute. The truth is, it would not matter if there were 150 meetings – Royal Mail is only prepared to consult and not negotiate with the union.

By consultation, the company means: "We make the decisions. We tell you what is going to happen and the fact that we met you means we can now proceed with implementing change at local level." This is how Royal Mail conducts itself at meetings. It is part of the strategy it has been pursuing in recent years to effectively de-recognise the union.

However, in recent weeks due to increasing industrial action, the company has been forced to shift its position. As reported in LTB 716/09, the company now finally accepts that Phase 4 of the 2007 Pay and Modernisation Agreement did explicitly commit it to further national negotiations and further national agreements that will shape how we take forward modernisation.

Whilst this is progress, we have been here before and everybody needs to see visible evidence that the company is serious. This is why we have made a fresh offer of intense national negotiations to take place over the next four weeks.

In the meantime, however, the company is continuing to impose change on you at local level.

Royal Mail claims 10% drop in traffic

Royal Mail is trying to justify its actions by claiming that mail volumes have declined by 10 per cent. Given the rollercoaster ride of recent years where Royal Mail continually claims a succession of fantastic turn arounds followed immediately by the next crisis, it is difficult for anyone to believe what the company says. This time around is no different.

Back in May, the company said it had just had its best operating performance for years and wrote to you saying that it had outperformed all financial targets and returned an overall profit of £321 million.

A couple of months later and apparently, the company's fortunes have now dropped off the edge of a cliff. The convenient round figure of a 10 per cent volume loss is the latest strap line for all managers to justify yet more attacks on jobs, pay and conditions. Yet at no stage has the company provided the union with any proper information that could be fairly validated.

Remember, this is the company who have been severely criticised by government and Hooper for not being transparent over numbers.

Remember, only a few weeks ago this is the same company that was reported in the press for fiddling performance figures in order to achieve managerial bonus payments. A number of very senior managers were suspended in the west of Scotland. Furthermore, we understand Postcomm investigations are spreading to other parts of the Northern Territory. We believe we have not heard the last of this particular management scam.

So what is the real position with volume decline?

We accept that there has been some volume decline, but it is difficult to quantify exactly how much and we believe it will vary from function to function and office to office. It is likely that the recession has had a short-term impact on volumes, but it is too early to say the extent to which this trend will continue. The issue of volume decline must be put into context:

1. The introduction of competition has definitely had an impact on volumes in what is known as the upstream end of the market i.e. mail centres and regional distribution centres. However, it appears Royal Mail takes no account of the fact that all of the competitors' mail still has to be delivered by our members.
2. Royal Mail has changed the items-per-kilo figure which is the key figure involved in reporting overall volumes. This means, when they compare this year with last year they are not comparing like for like.

3. Even if 10 per cent volume decline was accurate, to assess the impact this has on your workload, one must also take into account the decline in jobs. Royal Mail claims there have been over 40,000 job losses, so a 10 per cent volume loss set against a 30 per cent loss in jobs means you are now working harder than ever.

When we vote 'Yes' what outcome is the union seeking?

Firstly, we will continue to do everything possible to secure an agreement without the need for further national strike action. This is why we have made an offer to the company to intensify negotiations over the next four weeks. Gaining your support in a national ballot will strengthen the hand of your negotiators.

The issues at stake are fundamental to the future of all of us, right across Royal Mail Group.

It is about whether you will have a decent job or whether the company turns Royal Mail into a part-time industry and eventually move to compulsory redundancies.

It is about whether or not we can reach an agreement on a fair process that deals with potential office closures and maximises the choices that are available to you. This is particularly relevant to mail centres where the company is planning more closures over the next couple of years.

It is about whether you are fairly rewarded for change or whether management continues to attack your terms and conditions.

It is about whether work rates are fair and measured in an objective way so that people can actually cope – or whether Royal Mail continues to impose its own version of work rates linked to increasingly unrealistic local budget demands.

It is about what type of job you will have when the company introduces new machinery. It is about reaching agreement for new mechanisms that make deployment of local change fair.