

Summary of Talks with Royal Mail Group

Since the last update there has been six full days of negotiations with the business. You will recall that we committed to monitor progress to assess genuine movement to an Agreement. We still believe that the current talks continue to show progress;

Pay

- We have seen two moves by the business on the issue of pay. At this stage they are closed offers but, from a design point of view, we are now talking about actual increases in basic pay, flowing through to all pay elements and backdated to 1st April 2017. From April 2018, the business is proposing a basic pay increase and movement on the Shorter Working Week. While the company has agreed the principle of a 35 hour working week we have not yet agreed a flight path and timetable for its introduction. The CWU have rejected the company's latest pay offers but the two moves (in one week) clearly represent progress. The latest basic pay offer is also in stark contrast to the company's initial offer of an unconsolidated lump sum payment tied to improvements in productivity.
- Parcelforce and Fleet have also joined the talks in the last week. In Parcelforce, the meeting was positive and we believe the company are recognising that the full value of a RMG pay settlement will have to be applied to Parcelforce as will the Shorter Working Week. In Fleet, the Union is seeking application of the 2017 pay award to members and, depending on the shape of the final Agreement, also the application of the 2018 settlement.

Pensions

- In respect of pensions and as previously reported, a Wage in Retirement Scheme, with a DB lump sum element is now being worked up. What is not yet agreed are the targeted outcomes and RMG's overall contribution but these are being worked through in a more positive manner. You will also recall that both parties were committed to joint lobbying activities to push through the regulations required for our scheme to be introduced. To this end, in the last week, we have jointly attended a Friends of Collective Defined Contributions Meeting at the TUC to promote our case for a new Defined Ambition Scheme and discuss required lobbying activities. The CDC Group (which includes Representatives from the TUC, First Actuarial, Senior Civil Servants from the DWP, business groups, pension stakeholders and other interested parties) has been campaigning for a number of years for the same regulations to be introduced that we require for our proposed Royal Mail Group Scheme. In addition, both parties have agreed a series of information sharing and joint lobbying activity targeting key politicians and Government Departments.

Shorter Working Week

- In respect of the Shorter Working Week this clearly gets embroiled with pay, pipeline, future trials and new technology talks. However, we are adamant that if the company truly share our objective of a full time 35 hour working week then we need a firm commitment and flight path as to how it will be deployed and by when.

Pipeline

- Discussions with the company have continued on the issue of pipeline. Over the past week the CWU have carried out an analytical breakdown of Royal Mail Group's proposal to establish what is actually required for later LATs for parcels and what is arguably just pure cost cutting change. As a consequence we are increasingly confident that we can counter propose in a manner that responds to the later LAT challenge, enables more of those later parcels to be delivered with the core operation and in a manner which does not totally disrupt our members' lives. Talks continue.

Accord

- We have also held sessions on the Accord document and how we develop the issues in the Accord into a more meaningful Agreement covering for example efficiency, resourcing, culture and the IR Framework etc. and words are being exchanged in this regard.

Talks will continue this week and have also been booked for the 3rd, 4th 5th January in advance of the next PE meeting on the 9th January where we will again assess any progress made and how we accelerate to an Agreement.