

TP/24000/19/hf



15th November 2019

Andy Good
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Group: Communication Workers Union

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From the office of Terry Pullinger Deputy General Secretary (Postal)

Email: tpullinger@cwu.org | Direct line: 020 8971 7253

AN OPEN LETTER

Dear Andy,

Formal Negotiations

Further to your letter of 11th November 2019, and the wider publicity to employees and the media in regard to the business wishing to enter into talks with the union, I am writing this open letter to address the offer of negotiations made by you and Shane O'Riordain, Managing Director of Regulation and Corporate Affairs.

Obviously we do not agree with the injunction placed on the CWU by the High Court which crushed the democratic rights of 86,500 of your employees who participated in our ballot and voted 97.1% in favour of taking industrial action. We intend to appeal that decision and will begin preparations to re-ballot our members if required. Industrial action is the last resort option in pursuit of resolving a dispute in which we believe Royal Mail Group has failed to honour the 2018 Agreement and are pushing an un-agreed plan for the future.

To be clear, our objective has and always will be to reach a resolution which honours our 2018 Agreement and all of its component parts and to ensure we proceed with its spirit and intent to develop mutual interest plans for the future.

Of course the real test, especially in an environment where the CWU and its members have lost all confidence and trust in Royal Mail Group, is whether the offer of talks is genuine or just an insincere publicity stunt by Royal Mail Group.

As you are well aware, the CWU has been very critical and extremely disappointed at both the quality of negotiations prior to the external mediation and the dialogue during that process. You will equally recall that when the CWU thought there was a possible shift in the company's position, I wrote to Achim Dunnwald, Chief Transformation & Strategy Officer, on 8th October 2019 (**Appendix 1**), in effect proposing that we drop the shadow boxing and get into serious and genuine formal negotiations. Unfortunately however, that offer was declined by Royal Mail Group.

On 21st October 2019 the CWU again attempted to commence serious negotiations with the business and also committed that we would not give notice of industrial action for a four week period in order to give the negotiations a month to test the quality of those talks. If, as in 2017/18 (when we were in a similar position and could have given notice for strike action at any time off the back of a 90% yes vote) the quality and progressive nature of the negotiations warranted more time, then we would have extended that period of no industrial action to hopefully reach a position where there was no need to give notice at all. But again, your team chose to decline the offer.

Against that backdrop, if your public offer for talks is genuine, then we need to set a positive environment for moving beyond the current strong feelings and into (as quickly as possible) mutual interest resolution mode.

I have as a start point used the independent Mediator's recommendations (**Appendix 2**) to propose the following steps that need to be taken to create that positive environment:

1. Both parties agree that we have completed the Dispute Resolution Process and met the terms of the legal contract, and that we will now move into direct negotiations on all of the issues raised in dispute by the CWU i.e. the CWU's Specific Demands (**Appendix 3**) as detailed in the mediation packs and ballot papers.
2. Imminent unilateral action in regard to the TUPE of our Parcellforce members and the creation of Parcellforce as a separate limited company is removed subject to the outcome of our negotiations.
3. The negotiating structure for these negotiations should consist of one main negotiating group, supplemented by sub-groups with relevant additional expertise reporting back to the main group for sign-off.
4. From the outset of negotiations, one of the sub-groups should deal with all aspects in dispute in Parcellforce and this group should include Representatives of Parcellforce management and additional CWU expertise.
5. The mass un-agreed agency workforce that have been recruited, by RMG's admission to clear any backlog work created by strike action, should be stood down as unnecessary and not brought into our operations by executive action.
6. Urgent Christmas arrangements to be agreed at both national and local level which should also ensure agreed resourcing arrangements and include the opportunity for part-time employees to extend their hours up to full-time, as well as earning packages for all employees, prior to agreed levels of extra agency resource being introduced.
7. An urgent agreement to be reached on the reward for election material which reflects this exceptional moment in time where by a general election has clashed with Christmas pressure.

If your response to the above is positive, the CWU would be happy to discuss and agree a reasonable period of calm in which the sincerity of these negotiations could be tested and levels of confidence rebuilt. Equally, during the process we would hope that both parties would work together, in a mutual interest manner, to remove any other barriers that may exist which could reduce the success of such negotiations.

I look forward to your early reply.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T. Pullinger', with a stylized flourish at the end.

Terry Pullinger
Deputy General Secretary (Postal)

Cc Achim Dunnwald, Chief Transformation & Strategy Officer

APPENDIX 1

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8th October 2019

Achim Dunnwald
Chief Transformation & Strategy Officer
Royal Mail Group



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Dear Achim,

Current Dispute

Further to the conversations that took place last week and your acceptance that all of the specific demands raised by the CWU in the current dispute are interlinked and that you would be prepared to deal with them all if the CWU agreed to extend the mediation process by 30 days, I am writing to formally explain my counter offer.

Progress to dispute resolution last time we went into the external mediation process became far more progressive after we came out of mediation and entered into the formal negotiating process. The mediation served us well in respect of identifying what needs to be resolved and I believe we achieved that last week with your proposal.

Against that backdrop, I formally suggest that we now move with immediate effect from mediation and use the time you propose to deal with all the issues in dispute via formal negotiation and proceed to a settlement which enables us to repair relationships, rebuild trust and confidence and provides the foundation for us to develop mutual interest solutions to the challenges we face in keeping with the spirit and intent of our agreements.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T. Pullinger', with a stylized flourish underneath.

Terry Pullinger
Deputy General Secretary (Postal)

APPENDIX 2

- (1) Direct negotiations should cover all issues in dispute and begin in the week commencing 21 October 2019. Given the enormity of the impact of strike action on RMG, its customers, and on those taking part in strike action, further delay is out of the question.
- (2) The negotiating structure would consist of one main negotiating group supplemented by sub-groups reporting back to the main group for sign-off. This does not appear to be controversial to the parties.
- (3) One of the sub-groups should deal with Parcelforce in all aspects in dispute from the outset of negotiations, and this group would include representatives of Parcelforce management. From reading the parties' bundles and hearing their arguments, I have concluded that the dispute in respect of Parcelforce is an integral part of the parties' wider dispute. The overall dispute cannot be resolved if Parcelforce is excluded, which does not of course mean that the parties will necessarily be able to reach agreement in respect of Parcelforce.
- (4) The Union should offer a fixed period when strike notice will not be given and this offer should not be subject to the Union being able to take a unilateral view or decision on whether negotiations have broken down. The reasoning behind this recommendation is the need to allay RMG's legitimate concern over the possible loss of the 3 week protected period guaranteed by the mediation process following the mediator's report.
- (5) As regards the length of the period during which strike notice would not be given, it should be not less than that already offered in mediation (until 13 November) and ideally should be longer. This is clearly a difficult issue and one on which the Union and RMG will no doubt take legal advice. Any lengthening of the period beyond 13 November would be a valuable gesture of good will and may help the negotiation process.

APPENDIX 2

- (6) During the negotiation process the parties should feel free to seek assistance from Acas. The fact that mediation has been resorted to under the parties' binding contract does not in any way prevent the parties, if they wish, from seeking assistance from Acas Conciliation.
- (7) During the negotiation process RMG should consider the possibility of drawing on the expertise in IR that exists among the non-executive members of its board. This recommendation is based on reading the list of those on the board, some of whom to my knowledge are experienced in dealing with difficult IR problems.

APPENDIX 3

The CWU's Specific Demands Are;

- That any Agreement reached and any review of the legally binding protections between RMG and the CWU will be to complement and not replace the contract.
- That the current RMG proposals for a new operational pipeline are withdrawn and that no investment is made until a further National Pipeline Agreement is reached in line with the existing Agreement. The new Pipeline Agreement will focus on how the operational pipeline must change to be in a position to attract and effectively handle parcels growth.
- That there will be no change to the operational pipeline until a National Pipeline Agreement is reached.
- That any new Pipeline Agreement must not threaten the viability of the current network of Offices which are crucial to the 6 Day USO by ensuring a full range of product offerings, including parcels above shoe box size delivered from all Offices.
- That a National Agreement is reached on a clear commitment to defending the 6 day USO and the joint activity required in pursuance of this commitment.
- A commitment not to outsource any business unit/functions of Royal Mail Group or create limited companies within the Royal Mail Group.
- That the proposal to make Parcelforce a limited company is withdrawn and the acceptance that Parcelforce is an integral part of the Royal Mail Group pipeline.
- That the current TUPE consultation is ceased and that there will be no TUPE transfers of current Group employees into any proposed limited company within the Group unless agreed between RMG & the CWU.
- That any new pipeline will not place RM and Parcelforce in competition with each other.
- That a National Agreement is reached on workplace culture which deals with all issues raised from the joint culture visit activity and in line with our existing Agreement including a commitment to joint IR Training.
- That a National Agreement is reached on the application and use of new technology which includes ensuring that all local factors and circumstances are fully taken into account and subject to Agreement.
- That a National Agreement is reached on the application and use of new technology and an undertaking that the company will not use new technology/data as a vehicle to introduce working arrangements adverse to the interests of our members and as measurements to be used against our members by applying constant pressure through continuous improvement techniques, in effect dehumanising the workplace.

- That all improvement and total quality management techniques recently introduced will be withdrawn and an undertaking that no such management techniques will be introduced without the agreement of the CWU.
- That a National Agreement is reached on clear commitments of joint activity to maximise the volume and promote the value of letters and develop opportunities for innovative growth other than parcels.
- That a National Agreement is reached to deploy the second hour of the Shorter Working Week and to set out the further flightpath to a 35hrs gross working week, including paid meal reliefs by October 2019.
- That RMG commits to the use of RPI data for the purposes of the funding formula for the reduction of the working week.
- That all locally unagreed productivity/efficiency targets are removed and that local savings targets will not be introduced without a National Agreement with the Union and until a National Agreement on productivity is reached.
- That a National Agreement is reached on the application of the attendance and conduct procedures to stop and preclude the misuse and abuse of those procedures.
- The immediate withdrawal of all CWU Representatives' disciplinary proceedings until an agreed review is carried out using an independent Mediator to produce recommendations to strengthen the current procedures.
- That a National Agreement is reached which restores the RMG and CWU interfaces at the highest level, ensures full CWU involvement in the development of strategy and direction, and defines how this will be achieved and assured going forward.
- Reaffirm the commitment to expand customer offerings in RM Fleet to strengthen the internal service provided within Royal Mail and enhance our external customer offering.