

# Behind the lies: What's in the CWU-Royal Mail agreement?

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*The World Socialist Web Site is summarising key aspects of the Communication Workers Union's (CWU) deal with Royal Mail. We invite postal workers to send in your response. How will the agreement impact your work and family lives? The agreement is filled with corporate jargon but outlines major attacks in virtually every paragraph. It is necessary to expose its contents as part of the fight to reject this pro-company assault.*

The Communication Workers Union's 35-page "Business, Recovery, Transformation and Growth" agreement with Royal Mail Group (RMG) ushers in the most far-reaching attack on postal workers in history. It is today's equivalent of the Thatcher government's assault on the miners in 1984-85 and the Wapping printers one year later.

This time, massive job losses, a bonfire of terms and conditions, market-driven "restructuring" and the mass victimisation and firing of strikers, is being enforced by the union itself.

Nothing could more clearly expose the real dividing line in this eight-month dispute than CWU General Secretary Dave Ward's insistence, backed by the union's Postal Executive, that it is a "groundbreaking deal" that "moves us forward".

The first sentence of the agreement claims it "provides a resolution to all the issues arising from the long running dispute". As far as workers are concerned, this is a barefaced lie. The agreement drawn up by Royal Mail executives and CWU bureaucrats is a "resolution" that protects their partnership *against* the workforce.

Page one states, "RMG and CWU recognise the company now faces the most serious financial, market and economic conditions in its history and the only way to secure the future is by delivering agreed change at pace – in a way that takes the workforce with us and aligns the interests of employees, customers and all stakeholders."

Behind talk of a "common interest" and "alignment" between the company and workers, the CWU and RMG have come together to ensure that postal workers' jobs, health and livelihoods will be sacrificed for the benefit of shareholders.

The agreement is framed as a "business recovery plan". It cites highly distorted statistics on declining letter and parcel volumes, and projected losses of £450 million this financial year. This market failure and shambles is used to insist that postal workers must foot the bill!

At the heart of the agreement is the "strategic vision" of creating a single parcel network to compete with the likes of Amazon. The agreement states, "Historically Royal Mail has operated two networks (Parcelforce and Royal Mail Core) and two sets of systems... Royal Mail and the CWU agree in principle to the creation of a Single Parcel Network as a strategic ambition. The intent is to utilise the new parcel hubs, the Direct Parcel Routes and Parcelforce depots as a single, synergised parcels network covering the entirety of the UK."

This is a root and branch restructuring of Royal Mail, creating a "flexible" low-wage workforce to compete with global logistics giants including Amazon, UPS and Evri. This explains the scale of attacks, including plans for a "24/7 network, including Sundays", the introduction

of "pay per parcel" and the intense monitoring of workers' movements via PDAs and performance management.

That Ward describes this as a "win" reflects the corporatist transformation of the union. Corporatism means the growing together of the union bureaucracy and its structures with those of management. It is a process common to trade unions throughout the world.

The agreement takes corporatism to new levels. It cements a privileged role for CWU officials who will help lead a never-ending process of workplace revisions via "joint recovery and transformation boards" and the "Joint Working Group" pledged to drive workplace change at every level, enforcing brutal exploitation.

That is why in taking forward the campaign for a No vote it is essential to build rank-and-file committees at every depot and workplace. Such committees will provide the means for workers to debate, plan and organise a fightback against the management/union bureaucrat conspiracy, both in the lead up to the ballot and the political and industrial battle that will be necessary in the weeks and months ahead.

## Profit share

The CWU is trumpeting its "groundbreaking" deal where the first 20 percent of profits will supposedly go to CWU members. As Royal Mail is facing projected losses of £450 million this year, don't hold your breath. Ward and the CWU are pushing the same "profit sharing" mantra promoted by Margaret Thatcher in the 1980s, based on the fiction of "popular capitalism" used to push through privatisation and corporate asset stripping against the working class.

## Pay

The 10 percent pay award for three years leaves postal workers worse off than ever. The CWU gives its seal of approval to the pitiful 2 percent for 2022-3 imposed by the company, an insulting lump sum of £500 from April, and 6 percent this year followed by 2 percent for 2024-5. The resulting 8 percent delivers a below-inflation pay deal, with CPI inflation at over 10 percent, and RPI inflation 13.5 percent in March.

## Job "security"

The CWU will work with Royal Mail to eliminate jobs via the Managing the Surplus Framework (MTSF). The agreement is littered with references to “headcount reduction”, saying this “will be based on workload and productivity improvement and prioritise natural attrition, reduction in agency workers, temporary workers and Voluntary Redundancy [VR].”

The March 2 agreement on revisions is endorsed. The back breaking increase to workloads and extended rounds will be intensified, forcing long serving posties out at a discount price. The agreement states that MTSF terms will apply “with the exception of VR compensation terms.” The top rate of VR compensation has been slashed from two years to nine months.

### **Seasonal variations and shift “flexibility”**

Those in Delivery will work longer in autumn based on a 39-hour week, 35 hours in summer and 37 hours in the Mid-Period. Start and finish times will be pushed back. initially by 60 minutes, and from March 2024 up to 90 minutes, with last letter delivery at 4.30pm. Processing will move by 90 minutes, and Distribution up to 3 hours over a three-year period.

Changes to start and finish times are already being implemented at delivery offices with little notification and detrimental impact, especially for those with children. This is only the start of ripping up any semblance of a work-life balance.

### **New entrants: a two-tier workforce**

The agreement endorses inferior terms and conditions for new entrants imposed in Delivery and Processing last December. This includes the requirement for regular Sunday working. A joint CWU-RMG working party will consider use of this second-tier workforce for “dedicated parcel routes, Sundays and flexible work locations.” Recruitment of new entrants on inferior terms will incentivise Royal Mail to replace existing staff, drawing comparisons with P&O’s mass firing of 800 workers and their replacement with agency staff.

### **Sick pay and Attendance Procedures**

A punitive attendance procedure will be established with reduced company sick pay across RMG from August 1.

All workers returning from sickness will be forced to attend a Welcome Back meeting with managers to consider whether their absence will “count” towards an Attendance Review 1 (AR1). In a 12-month rolling period a third review of sickness could be grounds for dismissal.

The replacement of company sick pay with the equivalent of statutory sick pay after the second sickness absence in a 12-month period. This will force posties to return to work on pain of economic hardship. They will receive only SSP equivalent rates for the following: “the first two days of the second absence; the first four days of the third absence; the first three days of the fourth and any subsequent.” Government paid Statutory Sick Pay is just £109.40 per week or around £15 per day.

The agreement reduces compensation to those forced out by ill health with the fixed compensation rate of LBIH (Leaving the Business due to Ill

Health) down from 34 to just 16 weeks.

### **Use of technology to monitor and drive performance**

The agreement clears the deck for technology-derived data across RMG to monitor workers down to the last second and drive-up exploitation. In Delivery, a new APP/Tile on the PDA tracking device will be trialled called “my performance”, with the CWU “fully involved within the pilot and ongoing activity”. Assurances in the agreement that PDA technology will not be used to “de-humanise” or track “individuals in real time” are worthless. The implications are clear from its stated objective of “raising awareness of individual contribution and initiate support where it is required through the workplace coach.”

### **Victimised workers and reps**

CWU reps and workers sacked during the dispute have been hung out to dry. All decisions about their fate will be determined by an “independent review” headed by Lord Falconer of Thoroton who provided legal advice to the National Coal Board during the 1985 miners’ strike and was later appointed Lord Chancellor and Secretary of State for Justice by Tony Blair. His review “will aim to reach decisions within a 2 week period of referral”—amounting to assembly-line “justice” by a kangaroo court. The CWU has agreed that “All decisions on the conduct of the Review will be for him [Lord Falconer] to decide in his absolute discretion.”

### **Parcelforce and the “Single Optimised Large Parcel Network”**

A single parcel network will be developed incorporating Parcelforce and Dedicated Parcel Routes (DPRs) from 346 RMG Depots. This will be based on “an alternative resourcing approach” and “delivering a competitive unit cost per parcel”, achieved via “new innovative productive duty patterns (such as duties that start later, rotating duties)” and “new reward mechanisms based on the hybrid pay per parcel model”. The agreement warns, “In the event employees do not volunteer to follow the work... Royal Mail reserves the right to use alternative resourcing arrangements.” (i.e., if workers are unable to accept onerous new work loads and shift patterns they will be sacked).

Parcelforce will serve as a pilot for conditions across the business, with “interim change in Parcelforce beginning immediately”. This includes accepting all “revisions” imposed during the dispute. It will also mean “headcount reductions” via termination of agency, courier, and owner driver employees. The company’s “commitment” to no compulsory redundancies applies only to direct RMG employees, but even this will be reviewed in April 2025. Where current headcount reductions are deemed insufficient, “the MTSF process will used to identify redeployment opportunities across the business”.

### **Royal Mail Air network**

The CWU has agreed that RMG will close the following air hubs: Aberdeen, April 2024; Stansted, August 2024; Exeter, April 2025; Inverness, April 2025. The agreement states that, “Royal Mail and the CWU recognise that any proposals of this magnitude have a significant impact on employees”. There will be a “reduction of up to 18 sectors from the mainland Air network”

*We urge Royal Mail workers across all areas (Fleet, Delivery, Processing and Parcelforce) to use your knowledge and expertise to explain the meaning and implications of this agreement for your area of work (the summary above is by no means exhaustive). Please fill out the form below.*



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