

POST OFFICE: CROWN PAY AGREEMENT / ADMIN & SUPPLY CHAIN PAY UPDATE

We are pleased to report that a National Agreement has been concluded to settle the Crown dispute and that this agreement has been endorsed by the Postal Executive.

Main features of the Agreement:

The Crown pay agreement is for three years – 2012/13, 2013/14, 2014/15, and provides for a combination of consolidated pay rises and lump sums linked to the Crown Transformation Programme. These are detailed below:

1. Basic Pay Increases

- A guaranteed **3.9%** increase to basic pay and allowances (including London Weighting) from 1st April 2014. An element of this is consolidated bonus monies from the Sales Incentive Scheme (see overleaf).
- Further potential increases of up to **3.4%** to basic pay and allowances (excluding London Weighting) over the course of 2014/15, paid in 1% increments subject to the delivery of agreed savings over and above the Crown transformation programme.
- The guaranteed 3.9% increase is fully pensionable for those members in the Defined Contribution scheme. For members in the Defined Benefit scheme, 3.2% of the increase will be pensionable in line with the new arrangements, whereby pension entitlements are linked to inflation, from 1st April 2014.
- A 3.25% London Weighting increase backdated to 1st April 2013 providing parity with Admin and Supply Chain alongside the increase of 3.9% from 1st April 2014 as detailed above.

2. Lump Sum Payments

- **£2,300** will be paid following members' endorsement of the agreement.
- A further **£500** to be paid on completion of the voluntary redundancy programme currently underway. This will be delivered as a result of confirmed voluntary redundancies through MTSF and other associate activities such as duty reviews.
- **£500** to be paid on achieving a run rate position of break-even, expected to be in March 2015.
- All lump sum payments will be calculated on actual hours worked for full and part-time workers.

3. Consolidation of Bonus Monies from the Sales Incentive Scheme

- The guaranteed 3.9% increase to basic pay and allowances includes an element of money that was formerly part of the Sales Incentive Scheme (SIS). In essence, £357 has been consolidated into base pay for full-time members (this money will be pro-rata for part-time members based on contractual hours). This money equates to 42% of the current £850 available from the SIS for on-target performance.
- For part-time members who currently receive equal bonus payments to full-time members, an Unconsolidated Permanent Addition to Pay (UPAP) has been agreed

to ensure that no part-time member is disadvantaged by consolidating bonus monies into basic pay. The UPAP will be paid as a monthly supplement.

- The consolidation of £357 in turn means that a new Customer and Sales Incentive Scheme will be introduced from 1st April 2014 and this will have a £500 per annum payment paid via 4 quarterly payments for on-target performance.

4. Other Elements of the Agreement

- A new initiative involving voluntary Settlement Agreements for up to 250 employees, who may feel they are not suited to the sales culture within the Post Office. This initiative entitled 'Leaving the Business with Dignity' is in line with Conference Policy 2010 (Motion 109).
- A new streamlined performance improvement process linked to agreed job descriptions and working standards. This includes the introduction of an additional appeal stage.
- A new commission scheme for Financial Specialists and Product Specialists.

Key principles in regards to the above issues have been agreed; however, further discussions are necessary in respect of the finer details in order to bring these issues to an agreed conclusion. This also includes the new Customer and Sales Incentive Scheme.

Summary

In advance of this communication CWU Territorial and Area Representatives have been briefed on the details of the pay agreement. We will also be sending out further communications to Crown members' home addresses explaining the agreement in more detail. The ballot timetable will be circulated in due course.

We place on record our appreciation and thanks to CWU Representatives and members who have supported the Union throughout what has been one of the most difficult disputes in the history of the CWU. Whilst the negotiations have been protracted and frustrating for everybody, it can be seen that the proposed settlement represents significant progress from where this dispute started.

Admin & Supply Chain Pay Update
--

It has not been possible, at this stage, to reach a settlement on Admin and Supply Chain Pay. Although the Post Office have put forward a number of options, these were not acceptable to the Union. What has become clear is that more work and attention needs to be given to this important area in order to make progress in the coming weeks.

The Union remains committed to securing a one-year pay agreement for our Admin and Supply Chain members and although we wish to achieve this as quickly as possible, we need more time to ensure the right settlement is reached.