

Via email

RM Property & Facilities Solutions Limited
Highbank House
Exchange Street
Stockport
SK3 0ET

28th October 2022

Without Prejudice / Subject to Consultation
Update on pay discussions for CWU represented grades in
RM Property & Facilities Solutions Limited (PFSL)

Dear Carl and Mark,

Further to our meeting on 24th October 2022, I am writing to formally update you with our offer as discussed in the room. I have highlighted the relevant recent changes in yellow below.

Whilst we are committed to reaching an agreement, this of course has to be balanced against affordability and as such we have to be realistic with our revised proposal.

We have also shared and taken you through the financial data requested in your letter dated 18th October 2022.

Pay and bonus

Cleaners:

- We are proposing moving to two rates for all relief cleaners, re-introducing the hourly 85p differential to static cleaners. Based on current rates this would mean national relief cleaners would increase to £10.75 per hour and London relief cleaners £11.90 per hour. This would be backdated to 1st April 2022.
- A one-off cost of living payment of £1,000 (pro-rata for part time employees) for the 91 cleaning roles in London on pay protection following the application of RLWF rates in April this year.
- A one-off cost of living payment of £500 (pro-rata for part time employees) for the 157 cleaning roles that received a 2% pay increase following the application of RLWF rates in April this year.
- In addition, we discussed a proposal to introduce an annual incentive scheme (bonus) for cleaners worth 1.5% of pay but stressed that this must be self-funded.

We propose the following;

- Subject to the business achieving objectives linked to recycling, payment would be made as follows. In November, a non-pensionable and unconsolidated 'bonus' of up to £135 per full time person, adjusted proportionately for those on less than full time hours. Then there will be another non-pensionable and unconsolidated 'bonus' of £135 per full time person in June, adjusted proportionately for those on less than full time hours.

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- In total the offer can be summarised as a potential for each cleaning member to earn up to £270 per annum (adjusted proportionately for part time employees).

This is clearly now not going to be achievable this financial year so we are therefore proposing a £100 (pro-rata for part time employees) one off payment prior to Christmas this year, to bridge the gap between a new scheme getting set up and gaining momentum.

We have given consideration to your request to make a one-off cost of living payment to all cleaners. Unfortunately, this is not something we are in a position to do at this time. We believe the implementation on the RLWF demonstrates that the business is already taking action to tackle the cost-of-living crisis.

As per my letter of 19th October 2022 we committed to exploring a 2 year deal including possible early implementation of this year's RLWF rates. We can confirm that after a detailed scoping exercise we are not able to offer a 2 year deal and we will be implementing the new RLWF rates in April 2023 as originally planned.

Engineers:

- A proposed 4% increase to base pay effective April 2022. Alongside this pay increase the Company is asking for a commitment from the CWU to engage in our Engineering Transformation programme. Specifically we are asking the CWU and its members to support phase one and two of our Engineering Feasibility Study this year. Whilst the specifics have already been outlined to your National Reps, I appreciate that you need to reach clear understandings with us on what this means and we are happy to have a separate session specific to Engineering to clarify this.
- The proposed introduction of a self-funded incentive scheme worth 1.5% of pay per annum subject to the business achieving certain productivity milestones in relation to Engineering Transformation:
 - In May 2023, a one off non-pensionable and unconsolidated payment of 1.5% per full time person (adjusted proportionately for those on less than full time hours) upon achievement of an increase of 12% in Engineering Productivity from the current baseline of 43% across BES/BFM and F&S to that of 48% as a 'Full Year Effect (FYE)' at the end of the financial year 22/23.
 - For future years we would clearly need to look at aligning payments to Engineering Transformation targets.

Generic Admin:

- A proposed 3.5% increase to base pay effective 1st April 2022.
- We clarified that this population already have access to an annual bonus scheme worth up to 6% of basic pay and committed to providing you with further details of this.
- We proposed the removal of the step one entry rate for admin and generic committing to the maximum rate for all from day one.

Pension

We are proposing an increase in pension contributions, moving the NEST scheme contribution from 3% to 4% and the L&G contribution to a minimum 6% contribution for all. This will include extension and improvement in death in service provision.

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We have discussed and agreed a joint aspiration to move to the RM CDC scheme, as you are aware this requires significant increased contributions that we will need to discuss on a year by year basis to reach this level. Our full offer and commitment for this year in terms of pensions has already been outlined above.

Holiday pay agreement

We have shared and discussed the holiday pay agreement, this is subject to your feedback on the changes to make regarding absence (e.g. jury service) added to the RM agreement post implementation (to further mirror this).

Maternity and Paternity leave

Proposed alignment to RMG on family friendly policies including maternity and paternity.

Annual leave

We jointly reviewed the different allowances for annual leave and our proposal is to ensure the starter allowance for annual leave is a minimum of 22.5 days (pro-rata for part time employees) to give parity with Royal Mail new starters. We will also explore expanding the purchase of annual leave inline with the Royal Mail policy on MyBundle.

In the spirit of our discussions this week we wanted to inform you that we will communicate this to all employees, making this an open offer to your members in response to overwhelming feedback received for further information on our talks.

We mutually want a solid, balanced settlement but also have to ensure it is right for the business and affordable.

Yours sincerely,



Harry Gasior
HR Director – Property & Facilities Solutions, Central and Parcel Operations

cc. Stuart Davies – MD – Property & Facilities Solutions