

No. 043/25

24th February 2025

TO ALL BRANCHES

Dear Colleagues,

BRANCH CONSULTATION/SURVEY

In advance of tomorrow's online Branch briefing, please see attached a copy of an important document that will set the scene for tomorrow's briefing, including helpful background information that will assist branches in the forthcoming consultation.

The consultation/survey itself will be accessed online from Wednesday morning and branches will get an advanced copy of the relevant documentation after tomorrow's briefing.

Finally, please find below a reminder for the registration link to the briefing which will commence at 11:00 on Tuesday 25th February.

https://cwu-org.zoom.us/meeting/register/x4jp5_i2Rq-7UcjLaMHUlg

Yours Sincerely,



Dave Ward
General Secretary



Tony Keans
Senior Deputy General Secretary

CWU RESTRUCTURING – BRANCH CONSULTATION BACKGROUND INFORMATION DOCUMENT

Introduction

As we move toward the Special Conference at the end of June 2025, we are launching a union-wide consultation to enable branches to input your views and help us shape the proposals we will bring before our conference.

As explained during the recent online branch briefing, this is not about consulting you on a fully formed set of proposals. Instead, it is about providing a genuine opportunity for our branches to put their thoughts and their ideas forward, with all of us working together to formulate major proposals to achieve our overriding objective of maintaining the CWU as a standalone union.

The results of the consultation will produce a body of evidence that will be shared with branches before the conference, albeit this cannot in itself restrict us from bringing to the table radical proposals for change.

This was always going to be a difficult process and we appeal to all branches to respond with honest and unfiltered views, taking fully into account the reality of the financial and organisational challenges facing the union. This is a moment where we must not allow vested interests, whether in Headquarters, Regions, Branches or from individuals, to undermine the integrity of the process or frustrate the need for major change.

What really matters in this consultation and our subsequent proposals is that we put the interests of our members and the future of CWU above all other considerations.

We urge all branches to ask themselves the question - if we were starting a union today, knowing the challenges facing us in 2025 (not those when we merged in 1995), what type of union should we be and what should our structures look like to ensure a sustainable future for the CWU?

This document will set the scene for the consultation, providing helpful background information as well as setting out some key points that must be considered by all branches when completing your responses.

The consultation will be launched at an online briefing on Tuesday 25th of February at 11.00 am.

Restructuring – The Overall Plan

We have explained at previous briefings that it is entirely possible to maintain CWU as a standalone union provided we are willing to introduce significant changes to how we operate as a union. Therefore, the overall plan we are working towards is based on 3 separate elements, all of which will need to make a contribution to a more affordable and effective union. These 3 elements that will need to come together as one overall plan are set out below:

- a. **Assets-** The need to utilise our assets in the most effective way possible, including the various different cash deposits we currently have at our disposal.
- b. **CWU HQ-** The ongoing reorganisation of CWU Headquarters to streamline our costs and work in a more effective way in the following areas:
 - Overall headcount (and by default, salaries and pensions)
 - Policies and procedures, including voluntary redundancy terms
 - A major overhaul of Organising and Recruitment
 - Unionline/the Legal Services Department
 - A more effective departmental structure that removes duplication of work and introduces a more efficient and coordinated digital infrastructure.
- c. **Structures-** the need to modernise our structures at national, regional and branch level.

In addition to the above, we will bring forward a plan for justifiable increases to membership subscriptions, alongside a review of the various rates that currently exist.

It really is important that branches recognise as part of this consultation that all areas of the union are being looked at, including CWU Headquarters. We will elaborate on this further during the online briefing.

Key points for Branches to consider

When your branch committee discusses your response to this consultation it is essential you also consider the following points:

1. This restructuring exercise is not just about financial considerations - it is equally about how the union can improve our effectiveness at all levels.

2. The current structures of the CWU are mostly a product of the merger in 1995.
Please note the T&FS Executive is business-based and currently reflects representation of 34 recognised businesses with very varied membership numbers in each business. The Postal Executive covers the Royal Mail Group (including ParcelForce) and Post Office Limited.
3. To date, the biggest and most impactful cost contributions to restructuring have come from CWU Headquarters (reductions in staffing) and from branches with the reduction to the rebate system. The detailed information behind this will be part of the financial report presented to the Special Conference.
4. At the Special Conference in June, we will bring forward another proposal to move to a biennial conference, which will likely include options for reduced delegations and the introduction of online decision making, where appropriate, in the intervening years. As part of this, we will set out the overall savings for both Headquarters and for branches.
5. Noting that matters relating to CWU HQ staff (including pay and pensions) remain subject to discussion and negotiation with employees and staff-side unions, we will provide the Special Conference with a full and transparent report on the savings achieved by restructuring in Headquarters already and the further savings projected from upcoming initiatives.
6. To maintain CWU as a standalone union, we must be clear that our current structures are not sustainable from a cost perspective and we must bring forward proposals in some areas for radical change. Moreover, it really is time, in a changing world of work, to consider whether current structures are the most effective use of our resources or the best way to represent the interests of our members. Therefore, it is inevitable that we will need to prioritise what we believe to be essential requirements for our members and our future.
7. We will not abandon our ambition to grow membership in our traditional and non-traditional areas. However, the costs of our current recruitment and organisational strategy clearly outstrip any returns and so the status quo is simply not sustainable. Changing this will require a fundamentally different strategy for the future and this will be subject to ongoing consultation with our branches. This is under review now and appropriate action will need to be taken before our conference in June.
8. UTAW, our Tech Workers branch, continues to see steady growth with approximately 4,400 members and the union will continue to rebalance our resources to facilitate higher growth in this area. The growth we are now seeing is being delivered through a self-organised model from within the branch – separate from all other organising work. We are committed to continuing this support for UTAW to take advantage of the growth opportunities in the Tech sector. In addition, it is our intention to provide branches with a presentation on UTAW before the Special Conference.

Financial Information

A full financial report will be provided to the Special Conference, including forecast income, expenditure and membership numbers, alongside a breakdown of all costs at CWU Headquarters, including salaries and pensions. We will also ensure every proposal brought forward must include the level of savings that will be achieved and how this supports the overall financial position of the union going forward.

It is important for branches to note that, since the merger in 1995, the introduction of directly employed organisers and pay for Regional Secretaries and the Postal Executive has significantly increased our cost base. At the time of introduction, the pay for Regional Secretaries and the Postal Executive were introduced on a cost-neutral basis but this is no longer the case and demonstrates the need to redesign our structures.

In the meantime, we are sharing with you some key financial information which highlights relevant areas of expenditure. These are set out below:

National Executive Committee Costs

- Approximate annual expense costs for the National Executive Committee are £30,000.

Postal Executive Cost

The approximate annual costs of the Postal Executive are as follows:

- Costs: £856,592 (subject to final verification)
- Travel and subsistence: £213,055
- Total annual cost: £1,069,647

Telecoms and Financial Services Executive Cost

The approximate annual costs of the Telecoms and Financial Services Executive are as follows:

- Costs¹: £114,819
- Travel and subsistence: £65,234
- Total annual cost: £180,053

¹ These costs are still being verified by the union. T&FS Executive members are paid according to their role in their respective company, hence why the cost is significantly lower than the Postal Executive.

Organising and Recruitment Roles

The approximate annual costs of the current Organiser roles are as follows:

- Costs (across both Central Organising and Industrial Departments): £1,052,700
- Travel and subsistence: £54,172
- Total annual cost: £1,106,872

Regional Structures

The current annual cost of the regional structures is approximately:

- Costs²: £703,157
- Travel and subsistence: £89,174
- Total annual cost: £792,331

Reduction in National Officers and Senior Leadership Roles

Subject to finalising workload redistribution and the decision of the Special Restructuring Conference, the NEC's decision to approve the cessation of the SDGS role, one Postal National Officer role, one Telecoms National Officer and the potential to cease one further senior Central Services role would result in an approximate annual saving of £414,000³.

Forecast expenditure and income

The last available forecast regarding CWU income is as follows:

- 2025 forecast total income: £20,604,139
- 2026 forecast total income: £19,658,672

The last available forecast regarding CWU expenditure is as follows:

- 2025 forecast total expenditure: £22,034,333
- 2026 forecast total expenditure: £22,524,042

Therefore, the total approximate deficit (based on continuing trends and no variation in our expenditure) for both years is estimated to be as follows:

- 2025 approximate deficit: -£1,430,195
- 2026 approximate deficit: -£2,865,370

² This figure includes salary and employer pension costs.

³ With agreed pay rises set to take place in 2025, this saving would be closer to £430,000.

Branches should note that these projections can vary significantly based on external factors and are based on if the union was to continue exactly as now without any other cost-saving initiatives or extra recruitment. However, they are accurate enough for the union to build a savings plan upon. In addition, the forecasted drop in membership, and therefore income, does not include a projection based on the age demographic of our membership. As larger proportions of our membership age out of the business, this drop in membership could accelerate.

We are confident savings can be achieved through better utilisation of the union's assets and investments, including the sale of our HQ in Wimbledon **but they must come in conjunction with consistent, year-on-year savings delivered from restructuring initiatives.** As part of this, we will need to introduce a way of working that delivers a better balance between face to face and online meetings, reducing the cost of travel and subsistence.

We urge branches to consider the above financial information and recognise that restructuring initiatives must provide savings in the millions and that radical measures are needed to preserve the union. We will provide further financial information at the online branch briefing and ahead of the Special Restructuring Conference in June.

The five principles agreed by the NEC

It is important to remember that the NEC has agreed five principles, set out below, which all restructuring proposals must be tested against.

1. ***Do restructuring proposals deliver a financially sustainable and standalone CWU?***

Finance cannot be the sole driver of this project but put simply, unless we can implement very significant cost savings across the union, then any attempts to protect the CWU as a standalone union are doomed to fail.

2. ***Do restructuring proposals help to recruit and retain more CWU members?***

With our two main employers in structural decline, we must adapt. We must recruit every potential member in Royal Mail and BT Group and we have to get smarter at our membership retention work. We must also build on the success of UTAW and invest seriously in recruitment outside of our core employers. Any restructuring, new processes and new technology must support these objectives.

3. ***Do restructuring proposals help to build representation and strength at local workplace level?***

In recent times, we have seen a drop off in representatives in some workplaces. Through training, communications, support and engagement we must reverse this trend.

Restructuring must put resources and a focus on local reps at the heart of our plans.

4. ***Do restructuring proposals at all other levels of the union support improved representation of our members and workplaces?***

The culture of the CWU is unique and one we are rightly proud of. It is also one that is under threat with continued attacks from employers. One of the major selling points of our union is strength in the workplace. This project must protect and enhance that. We also have to be alive to the fact many of our members have no workplace and either operate remotely or from home. We need to leverage the technology at our disposal to recreate our traditional strengths in new areas.

5. ***Do restructuring proposals help bring through a new generation of representatives, which also reflect the CWU and the wider movement's diversity?***

Some excellent work has been undertaken in a bid to increase the diversity of the CWU's representative structures but now is the time to do more. The CWU, like many other trade unions, also faces an ageing population in both its membership and in our representative structures. We must take this opportunity to recruit a new generation of members, with a particular focus on young members and increase representation of minority groups within the union's structures at every level.

Summary

The consultation with branches will cover the following areas:

- NEC Structures
- Constituencies
- Industrial Executives
- Regions
- Branches

We ask branches to respond to the consultation no later than Friday 21st March 2025.

The consultation will be administered online and we will explain this in more detail at the online branch briefing.

Finally, we are committed to continuing the process of holding short online briefings to provide important information on specific subjects in the lead up to the Special Conference at the end of June 2025.

Dave Ward

General Secretary

Tony Kearns

Senior Deputy General Secretary

Karen Rose

Deputy General Secretary (Telecoms)

Martin Walsh

Deputy General Secretary (Postal)