

LTB 079/25

17<sup>th</sup> April 2025

Dear Colleagues,

**Online National Briefing update on EP takeover, Pay and Section 5 negotiations, USO Pilot and Wider USO reform and how the Special National Briefing and Policy Forum will work**

We will be holding an online National Briefing on:

**Monday 28<sup>th</sup> April at 10am.**

The purpose of this meeting will be to update Divisions and Branches on the following:

- 1 The takeover, as well as update you on our thinking regarding the overall agreement with EP titled *Rebuilding Royal Mail*. This includes the complete reset of industrial and employee relations in every workplace.
- 2 Pay and Section 5 negotiations will commence from 29<sup>th</sup> April. We aim to conclude an agreement before 14<sup>th</sup> May which will be subject to Postal Executive approval and then will be presented to the Briefing on 21<sup>st</sup> and 22<sup>nd</sup> May. It would then be subject to an individual member ballot. Any agreement will depend on EP becoming the controlling or sole shareholder and once the company completes being delisted which is expected to be in late May/early June.

We want to take you through our thinking regarding Pay and Section 5 discussions.

This will include the following:

- What we are looking at covering on pay.
- The plan to equalise New Entrants' pay, terms and conditions over an agreed period, including the first step within 3 months of the transaction.
- Introducing a new career path.
- The strategy to reduce reliance on agency and create new Royal Mail job opportunities.
- The plan is to address overtime and scheduled attendance rates and examine new ways to incentivise employees who need additional earnings.

- Agreeing to and introducing a new performance incentive scheme for all employees based on local/plant-level measures.
  - To establish the parameters of this scheme there will be a joint review of existing efficiency and productivity measures and targets, with the aim of reaching an agreement on fair and equitable measures of evaluation.
  - In recognition of the significant reduction in absence levels and therefore the cost of sick pay, current sick pay arrangements will be reviewed with a view to reaching an improved agreement that reflects a more supportive approach for employees by no later than three months after the completion of the transaction.
  - Our aim is to reach an agreed and improved voluntary redundancy package and remove the tapering from the age of 64.5.
  - To agree and introduce pilots on new ways of working including mechanisms to allow postal workers to have more say over day-to-day operations and workload management. This will include but is not limited to piloting a more supportive way of utilising the “my performance” application and any performance data. The terms of the pilot will be agreed no later than two months after the completion of the transaction.
3. We want to update all Branches on the USO pilots and our thinking regarding USO reform. Ofcom will likely confirm its proposals for USO reform in early summer, and therefore, USO change will become a reality from that point.

Our agreement with EP clearly states, “Following the outcome of the pilots, EP and CWU commit to reaching a full agreement on how any changes to the USO will be implemented in a mutually beneficial way. EP Group accept that any final agreement with the CWU on USO reform is also conditional on progress and implementation within the agreed timelines set out in Section 5 of the agreement.”

The delay in the takeover and in introducing the pilots has narrowed the window on when USO reform will likely be announced, leading us to the situation where we may want to have a national agreement on the USO earlier than previously planned.

We will explain our thinking in full regarding how we plan to tackle the USO reform now.

4. When we booked and planned the Policy Forum, we were unaware of the Romanian transaction delay, which has meant that we have not yet commenced negotiations on Pay or Section 5.

Normally, producing reports 28 days before the Policy Forum would be the usual process. This will not be possible. So, we intend to reach an agreement on pay and the key principles of Section 5 and present this to the Briefing in Manchester.

On the USO, we will either present a framework agreement at the Briefing or send out a policy document ahead of it.

The chair and I are discussing the best way to give all Branches the best information, answer questions, and hear points of view.

This is an unprecedented situation, and clearly the potential new owners will not be in charge until they have over 75%, and if they achieve this, it will not be until the company has been delisted from the stock exchange, which takes up to five weeks.

We look forward to seeing you at the online National Briefing.

Yours sincerely,



Martin Walsh  
**Deputy General Secretary (Postal)**



Andy Furey  
**Assistant Secretary**



Davie Robertson  
**Assistant Secretary**



Tony Bouch  
**Assistant Secretary**



Bobby Weatherall  
**A/Assistant Secretary**