

# **DEPOT BLUE PRINT AGREEMENT BETWEEN PARCELFORCE WORLDWIDE AND THE CWU**

## **Working together: Key Principles**

### **INTRODUCTION**

The Communications Workers Union and Parcelforce Worldwide have reached a landmark agreement on new ways of working in our depots which advances the commitments of relevant Strands of the 2004/05 Business Plan Framework Agreement. This marks the next crucial step in the evolution of Parcelforce Worldwide into a successful and viable express parcels business. It will take Parcelforce Worldwide beyond recovery and help make its vision of being the UK's most trusted worldwide express carrier a reality.

The new way of working in our depots will bring improvements to all aspects of depot life. At its heart is a commitment to doing things together, at pace and with a common purpose in the best interests of all those involved in Parcelforce Worldwide – its employees, customers and stakeholders

The aim is for everyone in a depot to work together to lower costs, drive up revenue and provide excellent customer service. To support this aim, the new way of working in our depots will enhance four vital areas of depot life:

- Complete the radical transformation necessary to create a better working environment, which delivers improved performance;
- Provide greater responsiveness and flexibility to fluctuating workload and customer service.
- A more flexible way of working that will include people working together with a common purpose.
- Provide consistently reliable, efficient and effective service to customers.

### **TRANSFORMING THE WORKING ENVIRONMENT.**

Parcelforce Worldwide and the Communications Workers Union are committed to:

1. Providing a rewarding and enjoyable environment for everyone.
2. Introducing new methods of genuine reward and incentive for all employees.
3. Creating of a more collectively motivated workforce operating in a mature adult-to-adult modern environment.
4. Ensuring our depots are safe places to work.

5. Employing a diverse workforce, treating everyone with respect and not tolerating harassment and bullying.
6. Encouraging lifelong learning for all colleagues and providing high quality operational Training.
7. Making the business one that colleagues are proud to work for.
8. Supporting colleagues in doing their best for customers.
9. Protecting the standard of living of all employees and to maintain and improve reasonable earnings expectations.

## **SATISFYING OUR STAKEHOLDERS.**

Parcelforce Worldwide and the Communications Workers Union are committed to:

1. Maintaining excellent Quality of Service for all our customers.
2. Helping our depots make profits for our business.
3. Creating a highly motivated and incentivised workforce.
4. Working to minimise our depot unit costs.
5. Minimising compensation payments.
6. Working to both protect and grow revenue i.e. sales and marketing etc.

It is agreed that this fresh approach to depot life will earn the business the right not only to survive, but also to thrive by focusing on making Parcelforce Worldwide successful through excellent customer service, highly motivated rewarded employees and satisfied stakeholders,

## **KEY PRINCIPLES.**

The Depot Blueprint approach is a new way of working and organising daily, weekly, short and long term depot activity and certain aspects are still under joint development.

The principles contained in this Blueprint necessitate revisions in every depot, and in order to complete these before Autumn Pressure, joint planning activity including the gathering of all relevant information will now commence, with an agreed target of introduction in each depot during September 2004.

The principles for conducting revisions established in the 2003 Depot Revisions Processes Agreement will apply and the detailed agreement will be amended to make it relevant to this current activity, with particular attention to joint review at key stages 1 & 2 in order that both Parcelforce Worldwide and the CWU can be assured of the robustness of the revisions process and that the way it is being conducted is in accordance with agreed procedures and approaches.

The Regional Manager and CWU Regional Organiser will review progress periodically to identify and anticipate any issues that may arise. In addition, a national database of revisions and their status will be maintained in order to chart progress and for these

revisions to be validated against the nationally agreed standards prior to implementation in the unit. CWU will be fully involved in this process.

Discussions will take place at the outset between the depot manager and the unit representative to review the relevant work models, and agree, based on local conditions, the optimum operational model for the unit.

The above models will utilise the following values in the construction of these duty revisions:

**C&D:** Duties based on 90 utilisation, measured in the new agreed way (including 40 minutes for meal relief plus 20 minutes ad hoc allowance). The traffic levels to be used will be set according to the current methodology using the peak day.

**Indoor:** Duties based on 90 BSI, with revisions carried out using MOST values.

**Admin:** Duties based on 90 BSI, with revisions carried out using MOST values. The review of Admin duties will include some centralisation where appropriate, but with all work associated with deliveries and consignees retained at the local depot. Work associated with personnel and consignor management will be centralised where appropriate. The following are basic core principles of administration:

- Core duties identified
- Multi skilled staff
- Training for new skills appropriate to new tasks
- Centralisation to be agreed locally
- Prioritising time critical work: e.g. Vpay.

Extra flexibility will be achieved through working collectively and moving away from rigid job and route demarcation lines towards a principle of core duty structures doing what is necessary together to get the job done.

As a consequence routes for drivers may vary from day to day depending on traffic volumes and staffing levels.

The new way of working will involve people working together to make daily adjustments to core duty structures in a manner which maintains economical efficient duties and which make geographical common sense.

The intention is to create a democratic and adaptive working atmosphere, which gives people the opportunity to take collective responsibility and make decisions together about the best way to get the job done. Both managers and the local CWU representative will play key roles in ensuring that these changes are arranged in accordance with these principles and in resolving any difficulties that may occur. Wherever practicable, representatives should be allocated identified duties, which enable them to fulfill this role, and local solutions to this end will be encouraged.

The spirit, intent and objectives of all previous recovery agreements are both complemented and maintained in conjunction with this agreement.

Against that backdrop annexes to this agreement will now be developed to ensure that the following areas of activity are covered by the Depot Blueprint agreed way of working.

- Way of working - Flexibility
- Performance (Productivity)
- Manpower planning (Upgrading)
- Uniforms
- Lifelong learning (Training)
- Proactive Customer Service
- Precision working and eradicating duplicated tasks.
- Communications- WTL / Involvement
- Job security
- Industrial Relations
- Annual Leave
- Health and Safety
- People Issues.

#### BENEFITS.

The agreed pay and incentive arrangements associated with this agreement are attached as 'Annex A'. Notes of clarification concerning Owner Drivers are also attached as 'Annex B'.

Any questions of interpretation, implementation or application of this agreement shall be referred to the signatories of this agreement as a matter of urgency and will be dealt with inside the provisions of the appropriate industrial relations agreement.

Dale Haddon  
Director P&OD  
August 2004

Terry Pullinger  
CWU National Assistant Secretary  
August 2004

## **Annex A**

### **Final Benefits Offer:**

1. In settlement of the 1 September 2004 annual pay claim, an increase of 3.0% to pay, overtime & SA rates and allowances, payable from the 1<sup>st</sup> of September 2004 when the depot revision agreement is reached. This compares to the latest three monthly rolling average RPI rate of 2.77%, and the forecast April to September RPI rate of 3.0%.
2. An unconsolidated lump sum payment of £450 to be made to all full time employees upon the the point that duties are agreed, job matching is complete and the last day of service is agreed for those leaving Parcelforce Worldwide. Part time employees will receive a pro-rata amount.
3. It is the intention of both the CWU and Parcelforce Worldwide to incentivise the achieving and surpassing of the agreed targets, and working to the spirit of flexibility as detailed in the agreed new way of working. Against that backdrop an approach to those aims will be developed and be in place for the final quarter of the year to be used as learning to inform the shape of incentive arrangements for the following year. A simple approach will be developed around measured unit costs and flexible cooperation, which is transparent, easily understood and can be communicated weekly.
4. Whilst the reward will be based on a transitional business recovery payment equivalent to £25per week for step change in ways of working lump sums will be paid after the end of each month (entire maximum of £325 over the whole period). Such an arrangement for reward will enable unachieved weeks to be recovered via exceptional performance across the month. Further reward will be available for step change beyond the agreed target levels during quarter 4. Details to be determined before the start of Quarter 4.
5. This transitional approach is for quarter 4 only. Separate talks will be held to agree the shape of ongoing incentive arrangements to be in place for April 2005 onwards.
6. The aim will be to ensure that the targets reflect the sentiments of the agreement, are sufficiently stretching to advance contribution to business recovery whilst maintaining QofS, but realistic in regard to incentive achievement and reward. It is seen by both the CWU and Parcelforce Worldwide that it is crucial that the credibility to this approach is maintained at all times and that both parties commit to do everything possible to support the incentive criteria being achieved and genuine reward paid to employees. Exceptional reasons why targets may need to be adjusted in certain circumstances will also need to be defined and if the approach is not working properly as an incentive it will be urgently reviewed.
7. Taking into account the 3% pay offer, and the two lump sum offers offering the potential for additional payments totalling a potential £775 for each full time

employee, the basic earnings for unigraade employees rise from £269.10 per week (£14038 pa) to £277.17pw (£14559 pa) + £775, which equates to £15334, an extra 9.2%% in the year.

8. In recognition of the change in philosophy towards a collective ethos, it is agreed to replace the current drivers clearance bonus scheme from 1 January 2005 with a new drivers allowance, payable to all drivers, including reserves, on C/D & Bulk routes at a rate of £14.50 per week, provided that clearance across the routes is achieved on each day. It will be paid pro-rata if clearance is not achieved on any particular day. The allowance will be unconsolidated and non pensionable and unlike its predecessor will be paid on annual (but not on sick) leave.

## **ANNEX B TO DEPOT BLUE PRINT AGREEMENT.**

### **Note of clarification concerning owner drivers in relation to the 2004 Autumn changes**

We need to ensure a professional approach is taken to the construction of collection and delivery routes for both employed and owner-drivers.

To achieve this we will apply the following principles to the owner drivers:

1. All traffic in each depot will be subject to the nationally agreed Paragon modelling review.
2. Locally where possible, owner driver routes will be identified within the existing geography currently served by the owner driver, unless they are inconsistent with the professionally configured routes initiated by the Paragon modelling process, and are inconsistent with the strategy outlined in Annex 3 (Para 4.1) of the mixed resourcing agreement whilst ensuring that the working day does not regularly exceed 12 hours.
3. The unit manager and CWU representative will then determine as part of the revision negotiation process, the best structure to facilitate the objectives contained in Para 2 and support where possible Owner Drivers to continue to operate in their current areas.
4. Owner Drivers will be managed in strict accordance with their contractual terms *i.e.* will be required to deliver timed products, COD products, carry out collections proper to their defined core route and invoiced for any cost incurred by the unit in covering any of the Owner Drivers responsibilities inline with the spirit and intent of Para 3.15 of the Mixed Resourcing Agreement.
5. Non-contracted additional workload will be removed from owner-drivers and returned to the available pool for revisions.
6. Traffic created by sick and annual leave absence which is currently given to owner drivers will now be the subject of daily flexing by employees as a first resort.
7. Owner-driver contracts will not be subject to immediate wholesale renegotiation. Where current arrangements are inconsistent with professionally configured core route, compatible with the Paragon outputs as detailed above, this will be addressed in the first instance by seeking to reach a consensus with the Owner Driver, take advantage of impending contract review or then renegotiate the contract. However they will be reviewed sensibly on renewal and it is understood that around 200 hundred contracts are proper to renegotiation this autumn.



These changes will need to be sensitively timed given the demands of autumn pressure and the transition period for the new ways of working. New contracts will be designed to be consistent with the principles enshrined in Parcelforce Worldwide's core standards e.g. diversity, bullying & harassment, attending WTL and the terms of Para 3.5 of the 'Mixed Resourcing Agreement'.

8. It is agreed that existing contractual arrangements should not be a barrier to agreeing local solutions to produce the most efficient core route structure inline with the Paragon modelling.
9. Contracts with *any* Owner Driver will be on the basis of one individual contracted to cover no more than one owner driver configured route, will not act as an agent or franchiser and should as a matter of good business practice be on no less than industry standard terms.
10. Owner-drivers will in future be contracted in a manner, which will maximise flexibility and facilitate potential future improvements.
11. Any cases of non-conformance to contract terms will be addressed on a case-by-case basis at local level.
12. It is agreed that joint measures will be put in place by both respective Headquarters to ensure that the above clarifications along with the findings of the Joint Working Party on Owner Drivers are implemented. Details of how this will be monitored and by whom are to be the subject of further discussions between both parties.
13. A full review of the MIXED RESOURCING agreement taking account of the terms of reference and recommendations of the JWP will take place.

## Blue Print Agreement Annex C

### **Guide to Revisions Activity**

This is a revised and updated version of Appendix 1 of the 2003 Revisions Processes Agreement and in particular builds on the principles agreed in the main Depot Blue Print Agreement. The Revisions Processes Agreement itself remains current and is reaffirmed.

This process should act as a guide for revision activity. The aim is to progress quickly whilst maintaining customer service.

### **Define Local Office Objectives and Communicate**

Ensure that management, CWU and staff fully understand the reason for the introduction process including a full explanation of the National Agreement and the introduction process.

### **Establish and Agree Current State**

The review will be based on the current office state. Therefore it is essential to ensure that all current systems used within the local unit are accurate and up to date. This will include information on current duties and traffic utilised within the unit and the staffing levels used to prepare and deliver the traffic. This will be conducted by the Depot Manager and CWU depot representative.

### **Incorporate Agreement Objectives**

It is important that all national objectives outlined in all recovery National Agreements, are considered by the Manager and CWU Rep and will be incorporated into the review. This must include a mix of the full range of delivery/collection work covering the full span of service hours.

### **KEY REVIEW STAGE 1**

At the end of this first stage:

- The base systems and data will be up to date
- Local targets and reasons for the activities will have been confirmed
- All parties will understand the start point and the baseline
- Realistic levels of planning resource will be made available to meet the timescales
- All information required will have been shared

All of the above will be carried out at a joint meeting of all the respective parties. Once the CWU representative and Depot Manager are satisfied that all of the appropriate

steps have been carried out, they can sign off the Key Review Stage 1. All of the associated documents/minutes from meetings should be attached to this document.

Again involve the depot management team and the CWU Representative in sense checking the proposed Owner Driver routes.

## **KEY REVIEW STAGE 2**

The Depot Manager and the CWU representative will meet to consider the proposed duties covered by the revision. In particular they will consider the outputs of the Paragon and MOST modelling tools and how they can best be applied in the local unit to achieve duties based on 90 utilisation. As part of this, they will also consider the projected effect on overall earnings of employees within the unit, the overall changes to the manpower plan and the timetable for implementation. The final agreement should clearly state the process adopted for the formal endorsement and communication of the revision to staff.

In regard to people issues, manpower planning and resourcing, prior to any recruitment of O/Ds, local managers and CWU Representatives must check with the national matrix to ensure the 25% ratio will not be breached.

In the unlikely event that a final agreement is not produced by the end of the process, the specific obstacles to agreement will be identified and immediately communicated to the Regional Organiser and the General Manager for joint review, action as appropriate, or resolution in the event of disagreement.

## **Review of Process**

Eight weeks following the introduction of the revision, the Operations Manager and CWU representative will meet to discuss the process.

Both parties should take an objective view and discuss all the key criteria following implementation. Once these issues have been identified it will be jointly agreed as to whether any inadequacies are so great that they require an immediate action plan to correct the problems or if additional time should be required for a bedding in period. Issues to identify are:

- Customer impact
- Costs
- Any potential growth of existing and new collections
- Information received from data is correct including validation of traffic
- Learning points from the revision
- Office hours including any pressure hours used
- Impact on earnings within unit
- Impact upon quality of service of both the directly employed and Owner Driver areas – reviewed separately

This list is not exhaustive and any additional issues should be agreed and signed off at the initial review meeting. It should be noted that the implementation review would ensure that the claimed success in terms of the specification being achieved, has been fully met with shortcomings noted and improved.

The summary of the review in this step should be jointly recorded and sent to Regional General Managers and Regional Organisers to ensure compliance with the national agreement.

### **General**

In addition to the above steps there is a role for Regional Organisers, General Managers & Regional General Managers in ensuring that the local processes are proceeding on track, and not waiting until disagreements emerge. In accordance with the main Blue Print Agreement, periodic meetings between these people will be held in order to review progress on a site by site basis to identify and anticipate any issues that may arise and where possible to agree guidance on how such issues may be resolved in accordance with national agreements.

A national database of revisions and their status will also be compiled and kept up to date and during the implementation period this will be jointly reviewed at national PFW and CWU level to monitor progress in advance of revisions being introduced.

All processes above should be carried out in line with the Procedural Agreement.

## Blue Print Agreement Annex D

### Use of technical planning tools and techniques in revising Operational units in Parcelforce Worldwide

This is a revised version of the 2003 Technical Planning Tool and Techniques Agreement.

Collection & Delivery operations

#### Background

During 2001/2002 PFW & CWU jointly evaluated Paragon software as an alternative to the existing method (Route Builder).

Following extensive trials and review, it was agreed that Paragon fully met the identified Business requirements. It was also agreed that the system should be adopted for the evaluation of all C & D Routing within PFW.

#### Application of Paragon

Both parties are committed to using Paragon as the agreed core route construction tool as an aid in all C&D revisions. The average utilisation level for all routes in the revised Depots will be 90% and it is expected that most routes will be set at or around this level. Only in exceptional circumstances will routes be set below 85.

Driving speeds as shown in the table below based on the national statistic report (sb0318), and are a guide. The exceptions are A & B Class Rural speeds which in accordance with Paragon information are considered to be on average between the values shown. It is accepted that these are only notional values and subject to local agreed variation.

	Speeds	
	Urban	Rural
Motorway	41.3	41.3
Dual Carriageway	34	41.3
A Class Roads	21	27.6 – 33.7
B Class Roads	21	27.6 – 33.7
Unclassified Roads	21	
Off Map Journeys	15	15

Local discussions between management and CWU will explore a further adjustment of driving speeds in particular areas where it can be established the speeds are inappropriate.

Local discussions between management and CWU will identify any particular issues, such as congestion, which may affect performance on a route or routes and assess any changes that are required.

- Only people that are fully trained to the standards set by the PFW HQ/CWU will be able to use Paragon software.
- Reviews will be undertaken with the full involvement of the CWU industrial engineers or CWU nominated liaison officers.
- The method of operation as described and tested with the CWU outlined in the joint report on Paragon will be the method by which route revisions will be carried out in Depots.
- Any proposed changes to the method as described in the report will be evaluated and agreed, prior to implemented after full consultation/negotiation with the CWU at National Level.
- Traffic Flex on International Traffic will be on applied on a Postcode/ Sector basis based on fall to ground information gathered locally.
- Fall to ground traffic will be sourced from the Post Office Information System Environment (P.O.I.S.E). This traffic will be validated against existing depot information i.e. depot control sheets (DCS) taking account of local conditions. Data collected from POISE will be compared, against this information  
Where a variance of +/- 3% is identified, an immediate joint investigation will commence locally between management and the CWU Unit Rep to establish the reason for the discrepancy.  
Where it is established that the base data is fundamentally flawed and cannot be addressed locally, the matter will be progressed in line with the Procedural Agreement and/or the M.O.S.T Agreement.
- Monthly meetings at a national level will be undertaken between the PFW and CWU Industrial Engineers to ensure that the deployment is consistently applied in all Depots.
- Checks against the Paragon outputs will take place every 4 weeks as a minimum or at every major change in traffic levels. As a result of these reviews any proposals for ad hoc adjustments to affected routes will be discussed between the manager, CWU

rep and staff concerned in order to ensure minimum disruption. Any adjustments either ad hoc or major would be carried out in line with existing national agreements.

- All technical information held on the system will be made available to the qualified CWU Industrial Engineers or nominated liaison officers.
- All C&D driving values will be sourced from the Maynard Operating System Technology (M.O.S.T), in line with the M.O.S.T National Agreement
- In line with the Strategic Involvement Agreement, Parcelforce Worldwide are willing to train CWU, HQ nominated Representatives on all aspects of Paragon software package and its application.

## **Indoor and Admin revisions**

### **Introduction**

This agreement is an Annex to the agreement on processes to be applied to Depot Revision Activity document.

It is agreed that revisions of the indoor and Admin functions are dependant on the quality of the information gathered and used. Both parties recognise that the base data used would be insufficient for accurate Indoor and Admin duty construction.

Therefore the existing approaches used under Apollo will be adopted as an interim measure to progress savings in both strands.

Both sides recognise that for the future to be secure, a joint approach is needed to place Parcelforce Worldwide in the position to be a market leader in the Parcels delivery industry.

### **Indoor**

Both parties agree that the Indoor Unloading, Loading and Sorting values will be - measured using M.O.S.T techniques. Duties will be based on 90 B.S.I.

### **Admin**

Duties will be based on 90 B.S.I.

## Blue Print Agreement Annex E

### AGREED PEOPLE PROCESSES

#### 1. INTRODUCTION.

**This annex to the 2004 Blue Print Agreement updates the 2003 Agreed Processes for the Resourcing Strand part of the Business Recovery Agreements, and relates to the changes being introduced in the 2004 revisions.**

#### 2. PROCESSES COVERED.

- Terms to be used
- Order of Release
- Support for Staff
- Duty Selection Criteria
- Manpower Planning Process
- Approach to preference exercises etc.
- Approach to resourcing
- Management of surpluses
- Approach to temporary contract staff
- Managing employee/owner driver ratio
- Moves of Home
- Pay Protection

#### 3. TERMS TO BE USED.

The terms that apply for the compensation of staff made surplus and changing duty, business or leaving Royal Mail Group will be the current agreed terms

#### 4. ORDER OF RELEASE

1/ Cease agency staff.

2/ Cease casual staff.

3/ Cease STT and fixed event staff by calling for volunteers. If more than sufficient volunteers, the release of staff, and therefore the making of loyalty payments, will be in seniority order. If there are fewer volunteers than needed, any shortfall will be made up by selecting STT's and fixed event staff in juniority order. Any temporary staff who were first employed prior to 31 July 2003 who are released in this way will qualify for a loyalty payment of £1000 if they leave at a time of the business's choosing: i.e. at the introduction of the revision.



4/ Where there remains a surplus of staff to currently available work after these measures have been taken, long term staff who have requested voluntary redundancy will be released up to the extent of the remaining surplus at that time.

Once all jobs have been filled (i.e. duties have been signed for) staff who wish to take VR will be given notice.

Exceptionally, where it is evident that there are more than enough people expressing interest in the available posts at the preference exercise stage to eliminate the risk that jobs in a particular work area will not be filled by people opting for this choice, a given number of VR's may be agreed and authorised, provided that there remains no risk that having authorised VR's, jobs in the restructured depot remain unallocated.

Before VR's are granted all temporary staff contracts will have been terminated, unless they are needed to undertake duties for which there are no applicants or where it would be unreasonable to redeploy long term staff.

At any office where it appears likely that there are too many volunteers for redundancy (or indeed transfer out) as identified at the conclusion of the preference exercise or as soon as possible thereafter, there will be joint local discussions between managers and CWU in order to agree a way forward. This approach will include:

- Full discussions with the individuals concerned.
- Opportunity to revisit personal preferences.
- Steps to revisit transfer options for the people at units within reasonable travelling distance
- Review whether duty structure can be altered to make attendance times more attractive
- If these steps fail to resolve the problem, VR will only be authorised once necessary allocations/selections of duties have been made. Normally, the most junior long-term staff wishing for redundancy will be so allocated to a duty. Any staff allocated a duty in this way who consider the allocation unreasonable will have the right of appeal inline with the appropriate process.

## 5. SUPPORT FOR STAFF.

Recognising the scale of the change facing people from within Parcelforce through these changes, the following support is envisaged for people leaving, or thinking of leaving the business.

- Outplacement support through Jobshop/DBM, involving assistance with interviewing skills and job applications.
- Bipartite arrangements with other companies currently recruiting.

- Once voluntary release has been agreed, reimbursement of invoices for a recognised training programme aimed at assisting the process of acquiring another job, up to a level of £500.

This support will be provided either on site, or for smaller locations, at an adjacent depot. Appropriate release and where necessary travelling expenses will be given.

## 6. DUTY SELECTION CRITERIA.

Duties will be allocated within seniority order unless pay protection is an issue in the depot in which case existing agreements covering such circumstances will apply. Local negotiations will identify the need for any requirements resulting from disability discrimination, skills issues, and no driving licence or welfare issues. A reasonable approach to such matters will be encouraged at all levels.

## 7. MANPOWER PLANNING PROCESS

The detailed process to be followed is attached at Annex 1.

## 8. APPROACH TO PREFERENCE EXERCISES

The need for and extent of preference exercises will vary, and local discussions will determine the approach in any given unit. The factors to be considered are the extent of any change, the amount of disruption it will cause, and the need to strike a balance between enabling people to express their preferred options and raising expectations to a level where people are likely to be disappointed whatever the outcome. Where it is known that the number of senior staff who wish to be registered as surplus meets or exceeds the number of duties to be saved within a work area, a preference exercise will not normally be necessary.

Where it is agreed to be appropriate, preferencing will be carried out in the work area (indoor, drivers, admin) where surpluses are forecast, and all preference exercises will be accompanied by a full listing of available jobs.

The preference exercise and preference forms will be carried out in line with the principles set out in the joint letter and Code of Practice dated April 2002 between CWU and Parcelforce Worldwide.

## 9. APPROACH TO RESOURCING

The following approach applies to existing holders of jobs attracting skills allowances (i.e. ex-level 3-5) Any vacant skills allowance jobs requiring filling after the existing

holders or those with the appropriate skills, have been considered, will be filled according to the process to be separately agreed.

Where there are only minor changes, a full resign in the work area or unit will not take place. The surplus individual will pick up a vacant duty, and will be able to use his or her seniority when there is a future vacancy to secure another duty if he or she chooses. Any such vacancies will be advertised together at intervals of three months.

Where it is agreed that the scale of change in a work area and/or whole depot is substantial, there will be a resign in that work area or depot. Jobs will be filled in the following order:

First higher skills allowance holders/those with the skill, will pick the skills allowance duties for which they are suitable in seniority order. Any vacancies within this section will then be placed into the remaining job vacancies and be selected in seniority order. Any such skills allowance duty holders who are displaced will carry their seniority into the next level of selection. Any individual losing skill allowance as a consequence of this exercise will receive pay protection in line with agreed terms. The same process will operate for the lower skills allowance holders/those with the skill, following which remaining jobs will be filled in seniority order.

Where someone who is displaced from a skills allowance job as a result of these revisions picks up a job attracting no or a lesser allowance, he or she will be eligible for pay protection in line with agreed terms.

## 10.MANAGEMENT OF SURPLUSES

All employees will be considered for a suitable job within their work area/depot in any revision process. Employees who do not pick up one of the new duties will be treated in line with our existing agreements. Management and union will work hard to find the right role match for the individual in Parcelforce or another part of Royal Mail Group. For the purposes of these revisions there will be no forced matching of individuals into other parts of Royal Mail Group. Individuals will need to be flexible about the duties they are prepared to undertake in order to make this work; equally, managers and union representatives will also need to be flexible and creative in order to resolve such situations.

## 11. APPROACH TO TEMPORARY CONTRACT STAFF

On completion of job match, any remaining temporary contract employees who have signed for a role in the Parcelforce Worldwide unit will, subject to suitability and an appeals process, be offered permanent contracts with effect from the date of completion of job match. In so doing they will become eligible for the lump sum payments agreed in Annex A of the main Blue Print Agreement.

## 12. MANAGING OWNER DRIVER / EMPLOYEE RATIO

In order to reach and maintain owner driver numbers at a national maximum total of 25% of all collection and delivery routes, a monitor will be produced and shared monthly between PFW and CWU Headquarters and between regional P&OD managers and Regional Organisers. The monitor will show the number of actual owner drivers per depot, the number of permitted ODs within the agreement, and the number of ODs in the pipeline. The monitor will form the basis for discussions at regional level about the progress of OD resourcing. It is agreed that the revision process being carried out will include all routes. This will enable the office to ensure depot efficiency and maintain and enhance earnings opportunities for all. Annex B of the main Blue Print Agreement covers in more detail revision activity as it affects ODs.

## 13. MOVES OF HOME.

It is recognised that, because of the distances involved between Parcelforce Worldwide units in the new structure, some staff may decide to relocate rather than travel daily. It is also recognised that some staff may wish to move beyond normal daily travelling distance to remain in Royal Mail employment.

Support for such a move of home will be granted provided the following conditions are met:

- The employee is surplus at his or her present location, and a move directly and demonstrably contributes to reducing the number of unplaced surplus staff overall
- The employee is successful in being placed in a job in the new location either in Parcelforce Worldwide or elsewhere in Royal Mail according to the selection criteria agreed
- The location of the new home must be within easy daily access of the new office.

Subject to the above, a payment of £10000 will be made, unless the cost of three years' excess fares to a location with an available vacancy within reasonable daily travelling distance is lower, in which case payment will be capped at this level. Payment will be against receipts for expenditure directly associated with the move, with any balance being payable as a grant towards general expenses. Payments against receipts which are allowable by the Inland Revenue up to an absolute maximum of £8000 will be paid tax free; all other payments will be subject to deduction for tax.

Where an individual lodges at, or travels to the new location prior to moving home, any expenses claimed for this will be offset against the above limits.

## 14. PAY PROTECTION

Pay protection in line with existing agreements will be afforded to staff whose earnings reduce as a result of changes arising from this business recovery programme