

TERMS OF REFERENCE BETWEEN PARCELFORCE WORLDWIDE AND THE COMMUNICATION WORKERS UNION TO PROVE THE CONCEPT OF DELIVERY ONLY ROUTES IN PARCELFORCE DEPOTS

Introduction

Parcelforce Worldwide operates in a competitive marketplace and both parties recognise the importance of a mutual interest approach to achieve an effective industrial relations environment to move the business forward.

Parcelforce Worldwide and the CWU have continued to benefit from the stability that the mutual interest culture of the Joint Working Group (JWG) approach provides to our working relationships at National, Regional, and local level. This has allowed us to progress with key initiatives against a challenging background and pave the way to move forward together and implement activities at pace that are critical to the ongoing success of the business.

Delivery Only Routes

Both parties have agreed to facilitate a Proof of Concept (POC) trial at 6 depots, one from each PFW operational region, which will assess the practicality of creating a predominately delivery only route structure. The structures will be built in full conjunction with the local CWU representative from each of the chosen depots and will be built in line with existing agreements.

Whilst this TOR is solution independent, it is expected that the routes within the structures built that are furthest from the depot location will contain differing levels of collection stops, however, to gain the maximum information on this concept, as many delivery only routes as possible will be built from all available stops irrespective of resource type to ensure the most effective structure can be designed.

Routes will range from 7.6 hours in duty length to a maximum of 11 hours in duty length, however full consideration will be given to current attendance times and earnings packages in designing the alternative structure. In heavily dense delivery areas consideration must be given to the physical vehicle capacity before finalising on individual route design.

Start times for all routes may vary. As a guiding principle, route drivers will not commence their duty any earlier than 30 minutes after the expected completion of the nightshift, (i.e. 07:00 nightshift completion, earliest duty start would be 07:30). However, it is recognised that drivers may see an earlier start time and consequently finish time as an incentive, therefore local discretion between the OM and local rep will be applied on this point.

It is expected that a minimum of 50% of delivery volume per delivery only route will be loaded to the vehicle in line with the delivery drivers load plan and guidance. Due to the staffing levels on nightshifts and the need to maximise on route time it is not expected to allow 100% of drivers to load 100% of their delivery vehicle.

It is expected that a number of collection routes will become inefficient at the front of the duty, Underpinning of earnings will be applied to the affected staff members, all staff will be expected to be at work for the number of hours being paid for, however if agreeable on an individual basis duty lengths / durations can be adjusted in line with all collection window requirements e.g. later starts / finish times retained or extended.

All routes regardless of resource type MUST return to the depot for de-brief each day.

Enablers to the success of this activity are:

- Optimising under the roof time and enabling earlier departure on route.
- Stop Cost improvement.
- Decreasing lost time on the road.
- Improved customer ETA's
- Improved collection quality through dedicated collection / bulk routes

Alternative Reward Mechanism

As part of the trial the Joint Working Group will identify 2 sites which will also continue to participate in a form of the alternative reward mechanism to review opportunities to improve current earnings and efficiency in parallel.

Both parties agree that this approach is in line with the joint ambition to increase participation in the BRT&G driver alternative reward initiative and the trial outputs will inform discussions on the revised design, prior to the joint relaunch of the scheme.

Working Group Objectives

The Joint Working Group will analyse the outputs from the POC activity including driver feedback along with joint analysis of the Key Performance Indicators throughout the trial. A before and after view of current performance metrics and driver earnings will be produced.

The objectives of the Resourcing Working Group are to review the Delivery only POC approach and how it fits with existing processes. To facilitate this the following activities will take place:

- Set the direction for the POC activity and provide performance indicators which can be reviewed by the JWG.
- Evaluate learning opportunities arising from the POC trial.
- Establish the benefits from the introduction of the POC trial in terms of reduced UTR and increased SPR along with driver feedback.
- Both Parties agree that the involvement of our respective Industrial Engineers will be key to understanding the concept and progressing the activity. Therefore, all information gathered will be shared to ensure there is a common understanding on the data to be reviewed.
- Review progress against the agreed timelines set by the Resourcing JWG and support the achievement of the plan.
- To identify any issues requiring advice, communication or formal consultation and refer these to the respective headquarters for consideration and action. Ideally to propose and recommend a solution which meets customer, business and employee needs.

At the conclusion of the POC trial the JWG will produce a report with recommendations for the signatories of this Terms of Reference.

Timings

The POC trial is expected to run for 3 months at the 6 identified depots. Allowing for start-up, and review of the POC activity with available resources, consideration of adding 2 further depots per region after 6 weeks will be given should the agreed performance metrics demonstrate the benefits of doing so.

Reporting and Communications

Periodic joint communications will be a key part of the review and where appropriate these will be constructed jointly and circulated concurrently.

Any questions of interpretation, implementation or application of this Terms of Reference shall be referred to the signatories as a matter of urgency and will be dealt with inside the provisions of the appropriate Industrial Relations Framework.

A handwritten signature in black ink, appearing to read 'Rob Fowler' with a stylized flourish at the end.

Rob Fowler
Interim Managing and Operations Director
Parcelforce

A handwritten signature in black ink, appearing to read 'Davie Robertson' with a stylized flourish at the end.

Davie Robertson
Assistant Secretary
CWU