

## **Job Security, Resourcing and Managing Change**

### **A National Agreement between Royal Mail and Communication Workers' Union**

#### **1. Introduction**

Royal Mail and CWU reaffirm that the overarching objective of the Business Transformation Agreement is to introduce and complete all transformation programmes without recourse to compulsory redundancies.

Royal Mail and CWU recognise that by aligning the interests of employees, customers and the company, we are best able to place the Royal Mail Group on a viable future footing. It is by delivering the future success of the company that we can achieve greater long term job security.

The purpose of this Agreement is to extend all existing job security commitments and incorporate these into a new framework that covers Royal Mail's approach to all future change and resourcing. The Agreement reflects the key values and principles of how the company will continue to manage change in all workplaces.

#### **2. Job Security Principles**

- 2.1. The overarching objective will be for the Royal Mail Group to deliver all future change without recourse to compulsory redundancy. To maintain this commitment, employees will need to be flexible and adaptable when considering reasonable and suitable alternative jobs and work locations.
- 2.2. Full time employees will retain full time status unless they volunteer to move to part time hours. Part time employees will be entitled to retain their existing contractual hours if they wish.
- 2.3. The Royal Mail Group and CWU have an excellent record of working together to resolve employee surplus situations and we will continue to use the full range of options contained in the Business Transformation and Managing the Surplus Framework national agreements.

The Managing the Surplus Framework Agreement will continue to operate as now including the terms for voluntary redundancy, pay protection, excess travel and relocation situations.

Under the Business Transformation Agreement, changes to MtSF terms (some VR and ETE payments) were due to be implemented in April 2013. These changes were subject to review in October 2012 in the light of the financial position of the company and the progress of the transformation programme at that time. This review has been

brought forward, and the current terms have now been extended until April 2014. The same review criteria will now apply in October 2013.

### **3. Royal Mail Resourcing and Managing Change Principles**

The following principles represent Royal Mail's approach to resourcing and will be applied throughout the business:

- 3.1 The overall resourcing model for Royal Mail's ongoing business strategy and its operations will continue to be predominantly full time supported by part time employees. The overall national mix is expected to continue to be three quarters full time and one quarter part time.
- 3.2 Royal Mail employees will be employed on permanent contracts, except where there is a genuine short term need identified. CWU will be consulted in advance where there is any such requirement. Temporary contracts will not exceed two years unless it has been jointly agreed that there are very exceptional circumstances. The position of temporary contract employees will be kept under regular review by the local parties, with a view to converting to permanent contracts where and when possible. Additionally, where change programmes have been completed and bedded in, the status of temporary contract employees will be reviewed and converted to permanent contracts unless there is no need for this additional resourcing or where there is an identified and agreed need to continue with a fixed term contract. Royal Mail confirms that as part of the review of this agreement, it is the aspiration to reduce the length of temporary contracts to no more than one year.
- 3.3 The level of part timers' contracted hours will be jointly reviewed locally on a six monthly basis. Where appropriate, increased contracted hours will be offered to reflect the hours actually worked and planned.
- 3.4 Agency workers are intended to cover short term or unforeseen resourcing needs expected to last for periods of no more than 12 weeks, which cannot be covered by offering additional earnings opportunities to existing employees whilst maintaining quality of service. In the rare circumstances that employment exceeds 12 weeks the comparable pay provisions of the agency workers' regulations will apply.
- 3.5. It is essential that the ongoing local resourcing requirements are subject to regular consultation between Royal Mail and CWU as part of the mandatory weekly resourcing meetings.
- 3.6 Regular meetings to discuss local resourcing issues will identify whether a potential surplus staffing situation will arise. At this point consultation between Royal Mail and the CWU about how to deal with

any surplus will take place in line with the Managing the Surplus Framework Agreement. Where it is jointly identified through this process that there is a need for a number of VRs, the provisions of MTSF will again apply. Where the numbers legally require it, a formal HR1 letter will be provided to CWU Headquarters and this will explain the reasons for proposed redundancies. The letter will also confirm that CWU reps are aware of the proposal and that discussions are taking place in line with the Industrial Relations Framework and other relevant national agreements,

#### **4. Deployment**

To support successful deployment of this agreement, Royal Mail and CWU will implement the following:

- Articles on the agreement in The Voice and Courier with agreed key messages
- Joint employee briefing
- Communications to managers and representatives

#### **5. Review**

This Job Security, Resourcing and Managing Change national agreement is not time limited. The agreement will be subject to two yearly reviews with the intention of maintaining these principles in a rapidly evolving market place. Additionally there will be periodic reviews at national and regional/divisional level with appropriate information supplied to ensure the principles of this agreement are applied in practice. The first such review will be in January 2013.

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July 2012