



JOINT STATEMENT – NATIONAL AGREEMENT DEPLOYMENT

Parcelforce Worldwide and the CWU are working together to deliver the mutual interest benefits contained in the Agreement between Royal Mail Group and the Communication Workers Union Regarding Guiding Principles of Employment Security and a Mutual Interest Approach to Future Challenges and Opportunities, which will lay the foundations for the continued success of the business and help us grow and compete in a challenging market.

Pay

The 5% increase on basic pay, Scheduled Attendance and overtime rates and National allowances was paid in April salaries, including back-pay from the 1st October 2017.

Both parties are keen to make immediate progress on the following key areas to deliver the additional benefits of the National agreement:

Resourcing in PFW Depots

The resourcing through Growth and Change Agreement signed in 2011 sets the scene for how PFW and CWU continue to produce pragmatic solutions to the challenges of market conditions, maintaining the standard of living and job security of employees whilst managing business growth.

Volumes throughout 2017/18 have demonstrated continued growth, which is good news for the entire business in what continues to be an extremely competitive market. While in the current year the market is predicted to remain competitive, both parties are pleased to announce that the previous growth experienced has enabled us to agree immediate actions, in line with our commitments to re-establish the agreed resourcing ratios in relation to C&D operations.

Joint review activity has determined that the ratio of mixed resource routes has increased and that remedial action is required. To this end both parties are pleased to announce that it has been agreed that there will be an additional 160 full time, permanent, directly employed C&D Drivers recruited. This will include the filling of current C&D vacancies (circa 38) Nationally. In addition an immediate review will take place of all current FTC contracts with a view to convert to permanent where agreed criteria have been met.

In addition, following this Joint Statement, both parties reaffirm the commitment through the Table of Success to review all categories of flexible resource. Both parties also reaffirm that the Agreement on the Implementation of the New Resourcing Model confirms that all other continuous resourcing options, other than directly employed routes, are included in the 25% of routes appropriate for mixed resourcing. As such where Owner Driver Assists or OD Couriers remain they will be fully included in calculations on the resourcing mix.

Within the Guiding Principles Agreement both parties recommitted to ensuring that Agency use is in line with the Agenda for Growth Principles. A joint analysis and review will

therefore take place to assess the situations agency workers most commonly provide cover for, and a detailed evaluation of driver reserve levels.

This activity will be picked up by a new Resourcing Joint Working Group with the objective of finding a better balance between permanent PFW drivers, agency and other types of flexible resource whilst ensuring compliance with our National agreements. This review will be run in conjunction with a wider assessment of providing a 7-day working model, with the opportunity to introduce creative duty structures and align our resource to changing customer requirements.

Both parties have agreed to a definitive timeframe in line with existing agreements in which the recruitment and the reduction of external resource as detailed above should be completed. This activity should be completed by approximately 3 months from the date this agreement is signed. Where workload requirements mean that the level of external resource cannot be reduced in that timescale, then the residual number will be recruited as full time PFW routes.

Initial recruitment to these vacancies will be mainly sourced by converting agency drivers who meet the required criteria and have shown they can competently work to the required standards of quality, customer service and productivity. Consideration will also be given to offering permanent PFW employment to Owner Driver/OD assists that would otherwise be required to leave the business as a result of this activity. Future and ongoing recruitment strategy will recognise our commitments to enhance processes to enable PFW to attract experienced C&D Drivers from competitors.

Both parties agree that it is important to continue to bring any remaining use of agency/courier resource into line with the spirit and intent of the Agenda for Growth and Stability Agreement and to meet the agreed resourcing model. Additional recruitment to permanent positions will take place where gaps still exist. Levels of agency use per Region will be used to guide recruitment.

To ensure that the new resourcing agreement is deployed within the agreed time frames the REX Joint Working Group that is meeting on a regular fortnightly basis, will review progress to ensure the deployment of the new roles remains on track and aligned to the agreed resourcing model.

In regards to this recruitment the Regional General Managers and CWU Regional Organisers will meet to establish and agree where, when and how local recruitment should proceed in regard to meeting the final numbers outlined in this document and that recruitment takes place in line with existing agreements. Areas with the greatest opportunity (biggest pool of available and suitable drivers) and greatest need for recruitment will offer the best opportunity to move forward at pace to meet the final numbers. Local depot teams will complete the recruitment processes and the figures will be provided to the respective HQ's to be monitored.

The NSG will continue to review the levels of resource required on a regular basis. Review meetings are planned as taking place at 6 month intervals.

REX Deployment and the Shorter Working Week

We are jointly committed to introduce a one-hour reduction in the working week from October 2018. The enablers for this are the joint commitments to deploy Route Excellence (REX) across the Depot Network and to jointly develop and trial revised planning values and productivity measures.

Parcelforce Worldwide and the CWU recognise that it is crucial that the Route Excellence system is fully fit for purpose prior to the wider roll out. To that end in the spirit of the mutual interest culture of the Table of Success approach, joint activity has continued to review the outputs and conformance at the REX trial sites to refine the processes and enable a successful deployment. Additionally this has now included the successful full roll out of the PDA-ST devices. Background analysis has also commenced on the current planning values utilising REX historical data, which will be tested and used to formulate the review outputs.

As a result of agreeing the above resourcing mix, both parties have now agreed to fully deploy Route Excellence to the remaining 34 Depot locations across the country. This is a landmark initiative for Parcelforce and the CWU which provides us with a more competitive offering and gives us the ability to notify customers more accurately with the timing of their delivery across a one hour time window.

Both parties confirm that the full roll out of REX will enable the deployment of the 1st hour reduction in the working week in October 2018, in line with commitments contained within the Guiding Principles Agreement.

There will also be separate discussions held Nationally to agree the principles of how the equivalent reduction in working time can be achieved for all other CWU grades in Parcelforce functions, including those on net working hours, so that local planning activity can commence.

Both parties are committed to strengthening relationships further at all levels of our respective structures to maintain the improved culture and behaviours that enable us to move forward together and implement activities critical to the ongoing success of the business at pace.

A National Table of Success event has recently taken place where both parties reviewed all joint working group activities and discussed the detail of the programme of works arising from the National agreement. Joint lead roles and accountabilities have been agreed that will ensure we deliver together on all elements of the agreement. A separate joint communication on Table of Success will follow shortly to summarise these activities.

Any questions of interpretation, implementation or application of this Joint Statement shall be referred to the respective headquarters for resolution.



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8th June 2018