

Programme of Reviews of Catering Services

Royal Mail Group reaffirms its commitment to the provision of subsidised catering and vending services.

Some of the canteens which are operated by Quadrant on behalf of Royal Mail Group are not financially viable due to the large disparity between costs and sales. This can be due to low customer satisfaction and usage, a reduction in the numbers of Royal Mail Group employees based at the site, or a misalignment of canteen opening hours to Royal Mail Group employee break times due to changing operational requirements, or a combination of all these.

This document sets out the agreed procedure for conducting a programme of reviews to identify canteens that fall into this category and to put in place a range of opportunities to enhance the service provision that will help to serve the customers better and help improve the cost effectiveness of the subsidy.

Royal Mail Group would like to get to a situation where overall sales equal or exceed the overall subsidy which it pays to Quadrant for provision of canteen services. However it is accepted that, despite the efforts of all parties, there may be some cases where sales equating to subsidy is not achievable. Providing the catering facilities in these units are well utilised then closure will not be pursued. Royal Mail Group will continue to review these units in search for improvement opportunities.

The specific aim of this review programme is to improve and sustain the long term provision of catering facilities for the employees of Royal Mail Group. This initiative does not form part of any efficiency or bonus scheme within Royal Mail Letters operations.

The Programme :

- will identify canteen services that do not have an acceptable level of sales income compared with the cost of provision to a degree that it is no longer feasible nor cost effective to continue provision on a sustainable basis
- will encourage the increased use of the service
- aims to identify and introduce alternative options and services to attract and increase customers
- modifies services as appropriate with the aim of providing a sustainable cost effective service
- develops those opportunities in consultation between Royal Mail Group, its local employees, their local union representatives and Quadrant in its role as the service provider

The Review Process:

- Quadrant will provide sales figures on request by Royal Mail Group
- Royal Mail Group will advise and provide the relevant figures to the local employees and their local union representatives
- In cases where all parties recognise that the sales v subsidy ratio of the service can be improved by changing the canteen opening hours without significant detriment to customer service, changes should be implemented as soon as possible.
- Royal Mail Group and its union representatives will document those changes and advise Quadrant of the intentions so that Quadrant can promptly communicate with its employees and union representatives
- Other measures may be necessary to improve the viability of the canteen service. Royal Mail Group will invite local representatives from the CWU and the CMA to a meeting to explain the situation, and aim to identify reasons for low usage and opportunities to increase sales such as introducing trolley services, hampers and 'grab and go' products, where applicable
- Royal Mail Group will prepare a brief for use at WTL&L sessions. Copies will be provided to local union representatives. It will include advice on setting up a local focus group to discuss potential improvement opportunities and carrying out a low/non user questionnaire if it is decided that this would be useful
- Royal Mail Group will incorporate all opportunities in a written action plan that will state the minimum acceptable level of sales
- These measures will be trialled and the duration of the trial should not exceed three months, unless there is a marked improvement shown in the last month, in which case, extension should be considered and agreed by all parties concerned. If the situation deteriorates after month one or month two the trial may be ceased.
- Progress will be reviewed at least monthly, with the action plan being revised as appropriate. Weekly sales figures will be provided to assess progress.
- At the end of the review process, the outcome will be jointly assessed. Royal Mail Group will then decide whether the service will:
 - ❑ continue in its current form
 - ❑ continue in its modified form
 - ❑ be withdrawn

Royal Mail Group will advise Quadrant of its decision. Royal Mail Group will then communicate the decision to the other parties involved.

If the service has been modified it will be reviewed after a period of 3 months to assess the success of the change and if any further action is required.

Royal Mail Group will involve Quadrant at all appropriate stages of the procedure. Any consequent changes to Quadrant's workforce structure will be dealt with under separate procedures agreed between Quadrant and the CWU and the CMA.

Paul Jobling
AGM HCW
Royal Mail Group

Terry Pullinger
Assistant Secretary
CWU

Date

Date