

**AGREEMENT BETWEEN ROYAL MAIL LOGISTICS AND THE CWU
REGARDING THE JOINT EVALUATION OF THE NEW PRODUCTIVITY
SCHEMES AND THE RELEASE PROVISION FOR INVOLVEMENT OF CWU
REPRESENTATIVES**

INTRODUCTION

The Logistics section of the National Agreement on Pay and Major Change carried a commitment to introduce a new bonus scheme for indoor staff working in distribution services as soon as possible. The reason that an interim scheme had to be introduced was that the major changes brought about by the Transport Review and new measurement systems meant that the current system was unworkable. Part of that interim agreement carried the commitment that the process to determine and agree the values to design and introduce a more effective and rewarding productivity scheme would fully involve the CWU in the form of a fully trained CWU representative in the techniques to be applied.

Recent agreements have recognised the essential role and positive contribution that CWU representatives can bring in the creation of a positive working relationship and the achievement of Business objectives balanced with employee reward.

Royal Mail Logistics have recognised that a high degree of communication and involvement, with Trade Unions and employees is essential if the necessary future performance required is to be implemented quickly, efficiently and effectively. It is considered that joint involvement and evaluation in initiatives such as that covered by this agreement, will improve policy making and planning, will also improve general understanding and will make the introduction of change smoother. Equally, it is recognised by definition, that adequate release from duty should be provided in order that the essential role of the CWU may be effectively fulfilled.

AGREEMENT

1. Recent agreements, which have recognised the essential role played by CWU representatives and their involvement in the future of the Business and the roll-out of any new initiatives have clearly defined the spirit and intent surrounding ad-hoc release in order for them to meaningfully prepare and participate. However, it is recognised in this agreement that a more robust arrangement will be required for the more intense periods of evaluation and assessment.
2. In this regard, it is agreed that it will be more effective for the release of up to two CWU representatives to be agreed in multiples of whole weeks to work up and gather information to inform the CWU negotiating committees. Management and CWU representatives involved in this initiative have agreed on an initial project span of at least 3 months and up to 6 months commencing 1st September 2004

and resulting in the introduction of the new scheme ideally by 1st January 2005 and definitely by 1st April 2005.. However, it is agreed that if any individual wishes to withdraw from the project a notice period of four weeks should be provided. Any extension to the project timescales should be agreed with the respective HQ's.

3. Whilst CWU representatives are on pre-scheduled release, it is accepted that the nature of their involvement will not allow for the regular performance of overtime and the achievement of productivity payments without jeopardising or reducing their contribution to the participation in the planning and evaluation process. In recognition of this, it is agreed that Royal Mail Logistics will continue to pay them their assigned allowances, SA, average overtime and the bonus from their parent unit for the period of the project. In the event that this arrangement did result in financial loss for the CWU representatives covered by the agreement, then the respective HQ's would meet as a matter of urgency to resolve the matter.
4. It is further agreed in the interests of professionalism that arrangements will be made to ensure that reasonable facilities are provided for the CWU representatives in relation to accommodation, communication, document preparation, travel and subsistence. Such matters will cover and include the use of telephones, typing and photocopying etc.
5. It is recognised that both planning and verification processes may require access to a number of depots. Against this backdrop it is agreed that management will provide appropriate ID passes for CWU representatives to ensure that they gain access to areas where they are required to work. Equally, it is agreed that local management and CWU representatives in each depot will be informed of any proposed visit prior to it taking place.
6. It is agreed that this process is not a replacement for the existing IR Agreement or formal negotiation and should not be used as a way round or to prejudice any party, individuals or the negotiation process. This process is seen as an enhancement of the role of the CWU and provides additional opportunities for input, develop greater understanding and improve professional relationships.
7. It is agreed that CWU representatives used are not part of the management structure and are representing the Assistant Secretary at CWU HQ. Against that backdrop it is accepted that the CWU representatives involved in this initiative will be encouraged to advise the Officer in respect of areas of progress, and matters that need to be negotiated and agreed. Release will be provided for this purpose to ensure a relevant information share. In the spirit of this joint approach, the CWU representatives should notify the project manager in advance of any periods of non-availability. It is agreed that the CWU representatives are a key player in the project team and are required to fully participate in the project workload whilst recognising throughout the project they have to ensure the CWU membership views are fairly represented.

8. Any questions of interpretation, implementation or application of this agreement shall be referred to the respective HQ's and will be dealt with inside the provisions of the IR Agreement.

AIMS OF THE PROJECT

9. It has been jointly agreed that the Project should have 4 major aims;
- To incentivise all Processing employees, within RM Logistics, to achieve personal benefit from securing the best possible Quality of Service and productivity to our customers.
 - To make the task and the reward equally stretching, but achievable, in every Unit.
 - To design a scheme that is easy to measure, easy to understand and can relate the rewards to the effort put in
 - To ensure that the scheme enables the inclusion of PRDC in the National Scheme, in line with the Pay and Major Change Agreement.
 - Method to ensure the value of reward is maintained.

TIMESCALES AND KEY ISSUES TO ADDRESS

10. In order to achieve the target date for a fully negotiated and agreed scheme it is expected that the working group will produce a weekly written progress report to be shared between the business and CWU negotiating teams. They will also be expected to deliver a face to face briefing on progress at monthly intervals. A key measure of whether the working group are on target will be their ability to address key issues, and as a first step the group should produce a work plan clearly setting out the milestones to resolve the following issues.
- The need to move away from current PBS and Interim schemes, in a way that addresses the current inequalities that exist with those schemes.
 - Need to tackle how reward will work in any new scheme. Will it be financial? How often will it be paid? How we will address the demand for "time off" to be part of the reward.
 - Time bonus currently exists officially in both SEWBC and NWDC. This needs to be addressed and its implications considered under the new scheme.
 - Whether to incentivise Work Area shifts or Whole Units.
 - How to cope with the different types of mail presentation in RDCs (e.g. Yorks, RSCs, Pallets, Bundles, Trays, Bags, etc.); without getting too complicated.
 - How to cope with highly fluctuating mail volumes in RDCs.
 - The degree to which we benchmark other schemes and their relevance to RM Logistics operations.

REPRESENTATIVES

11 The working group will consist of 4 people. The names of these individuals and their roles will be agreed by 16th August 2004.

SIGNED BY THOSE NAMED BELOW 29.09.04

Signed

David Cunnington

Terry Pullinger

Ian Dunn

Steve Fishwick

August 2004