

National Operational Efficiency Agreement between Post Office Ltd and CWU - May 2005

Introduction

- 1.1 This is an agreement for an Operational Efficiency Programme in directly managed branches. It emanates from the 2005 pay agreement for CWU grades, and attracts a £350.00 one-off payment following the introduction of new Operational Efficiency staff schedules (duties).
- 1.2 Future staffing levels at Directly Managed branches, including Postshops, will be determined by the consistent deployment of a workload estimation model. This will form the basis of a programme of Operational Efficiency duty reviews to be deployed in this segment over the next 12 months.
- 1.3 The Programme will seek to achieve the optimum fit between workload and counter staffing levels, by using existing staff in post. It is not the intention of the programme to proactively alter the full-time:part-time mix within a branch.
- 1.4 A voluntary redundancy preferencing exercise will be undertaken for all CWU represented grades in the Directly Managed segment to inform and support the programme of Operational Efficiency reviews. CWU recognises Post Office Ltd's ongoing aim to introduce change without the need to resort to compulsory redundancy.
- 1.5 The implementation approach, including use of the Operating Model and joint working, have been rigorously tested over the last 6 months.

This agreement will expire on 30 June 2006, or the end of the Operational Efficiency Programme roll-out, whichever is the later.

Key Principles

- 2.1 Post Office Ltd aims to be a good employer offering long-term employment opportunities with fair terms and conditions of employment to both full and part time staff.
- 2.2 Customers should be able to rely on Directly Managed branches for consistent and good service. It is not acceptable for Post Office Ltd to fall short of this standard if it is to make the required commercial and financial recovery.
- 2.3 Post Office Ltd and Communications Workers Union are committed to working together in an open and transparent way in the interests of the business, the employees and the customers.

This agreement is designed to help foster good industrial relations at a national and local level. Post Office Ltd will fully involve the Communications Workers Union in the implementation of this Operational Efficiency programme, and will share all relevant information.

Implementation

- 3.1 Roll-out to be managed by a joint Post Office Ltd and Communication Workers Union implementation team.

See **Appendix A** Roll Out Process, **Appendix B** CWU Roles and Responsibilities.

- 3.2 Various inputs taken:
 - Data gathering/staff preferences
 - Registered Family Friendly duties
 - Current Duties
 - Operating Model Outputs
 - Branch Manager input

- SAP Data:
 - (a) known/predicted vacancies
 - (b) current staff in post
- 3.3 Duties will be constructed on the premise that MUTE has been deployed.
- 3.4 BOSA standards apply for duty content, eg minimum attendance, meal reliefs, teabreaks, reserve template etc.
- 3.5 Duties compiled by a desk-based team comprising:
 - Service and Efficiency Manager (desk)
 - CWU Representative (desk)
- 3.6 Duties sent (for information) to:
 - Sales Account Manager
- 3.7 Visit team present duties to Branch Manager, comprising:
 - Service & Efficiency Manager (field)
 - CWU Representation (field)

Additionally, the proposed duties will be forwarded to the local CWU Section Secretary.
- 3.8 A consultation period is allowed for the Branch Manager to resolve local issues with their staff.
- 3.9 Duties are then implemented.
- 3.10 In the event that the model suggests that an increase in scheduled hours is required, the Operational Efficiency review will address this as part of the review process.
- 3.11 Any reviews lead by the Business As Usual teams will continue to follow BOSA annex D, with the exception of Horizon Mis, which is now replaced by the Operating Model.

Branch Review Process

- 4.1 Post Implementation Review:
 - At 12 weeks after implementation of duties, a Duty Compliance check will take place.
 - Assuming compliance to duties is good, and no issues have been reported, the duties will be formally handed over to the Business as Usual Service and Efficiency team.
 - Issues will be reported from Branch Managers, or local union representatives, or any member of the OE or S & E teams.

Sign off of the Post Implementation Review is the responsibility of the central programme office team jointly with CWU:–

Operational Efficiency Manager: CWU Programme Interface

Escalation Process – for initial implementation

- 5.1 There is an Issue Resolution and Problem solving process to be used during implementation.

Problem Solving & Issue Resolution Process

ISSUE RAISED BY	ISSUE REFERRED TO (1)	ISSUE REFERRED TO (2)	ISSUE REFERRED TO (3)	ISSUE REFERRED TO (4)
Branch Manager or Retail Line Manager or CWU Section Secretary	CWU Interface (Field) & Assistant Implementation Manager (Field)	CWU Interface (Office) & Assistant Implementation Manager (Office)	CWU TCR & Implementation Manager	CWU Programme Interface & Operational Efficiency Manager
CWU Interface (Field) or Assistant Implementation Manager (Field)	CWU Interface (Office) & Assistant Implementation Manager (Office)	CWU TCR & Implementation Manager	CWU Programme Interface & Operational Efficiency Manager	
CWU Interface (Office) or Assistant Implementation Manager (Office)	CWU TCR & Implementation Manager	CWU Programme Interface & Operational Efficiency Manager		

Points of principle disagreement will be referred to Andy Furey (CWU Assistant Secretary) and Julie Thomas (Head of Programme Operations)

Preference Exercise and VR Planning:

- 6.1 A voluntary redundancy preferencing exercise will be undertaken for all CWU represented grades in the Directly Managed segment to inform and support the programme of Operational Efficiency reviews. CWU recognises Post Office Ltd's ongoing aim to introduce change without the need to resort to compulsory redundancy.
- 6.2 Full Preference packs will be sent out
- i. July 2005 – For branches in the implementation plan from 1 October 2005 – 31 March 2006.
 - ii. January 2006 – For branches in the implementation plan from 1 April 2006 – 30 June 2006.

Voluntary Redundancy Selection Criteria

- 7.1 A set of criteria has been developed to enable selection of the templated role and the individual to be made surplus as a result of the Operational Efficiency Programme. This is at **Appendix C**.
- 7.2 Once the appropriate individual has been identified as surplus, then the full terms of the Managing the Surplus Framework Agreement (MTSF) will apply.
- 7.3 The preference forms will also be used to identify bumping opportunities, which will be carried out in line with the MTSF Agreement.
- 7.4 Selection of surplus staff for redeployment will be on the basis of last in first out (LIFO), however in the first instance a volunteer would be sought. LIFO is defined as the individual within the branch with the shortest length of Post Office service, this could be a full-timer or a part-timer, dependent on the role or roles identified as surplus.

Where pay or allowances, for example Saturday Premium payments, are impacted on by the duty revisions then pay protection will apply as per the terms of the MTSF Agreement. The required data for this calculation will be gathered by the RES 4 form

Operating Model (Staffing Model)

The Operating Model is a workload estimation tool.

8.1 The Input:

The key input uses past Horizon transaction data to determine future workload. Other inputs are:

- The appropriate Management structure within the branch, including Deputy Branch Manager
- The Branch Settings
- The BOSS security timings as verified by local CWU representatives.

8.2 The Output:

The output produced is the number of staff required per 15 minutes per day per week. This includes:

- counter serving time
- non customer serving time using agreed standards (Appendix D)
- postshop – serving and non-serving time

8.3 Calculations:

Calculations are applied to the inputs to the model, these are:

- A scaling factor is applied which allows for current branch serving rate to be reflected in the duties
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- A buffer is included to ensure that an allowance for selling time is factored in for each transaction

8.4 CWU Consultation:

This agreement has been negotiated around the assumption that the Operating Model will be used to determine the number of hours required in each branch.

- All standard inputs to the model have been agreed with the CWU. As such the Operating Model is the recognised tool to determine staffing levels required for a duty review.
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Changes to the Operating Model inputs will be subject to consultation with the union

Post Roll-out data capture

9.1 Data will be compiled during implementation and will include:

- (a) staff leaving on voluntary redundancy
- (b) staff redeployed
- (c) changes to staff hours
- (d) surplus staff
- (e) changes to AWD
- (f) output of the operating model

9.2 This data will be provided to the CWU Programme Interface on a weekly basis

9.3 This data will be used for:

- Issue resolution where appropriate
- Ensuring consistent application of this agreement and MTSF

APPENDIX B

CWU IMPLEMENTATION TEAM ROLES AND RESPONSIBILITIES

Structure

A specific CWU roll out team will be attached to the programme to facilitate the smooth and timely introduction and deployment of the national agreement by completing an intensive & structured programme of duty reviews designed to support operational Efficiency roll out.

The CWU team will be known within the programme as the CWU Interface Team

In recognition of the independent trades union status of the CWU the CWU Interface team will be accountable to the CWU Assistant Secretary.

CWU Interface Team roles & responsibilities

- May need to cover a large geographical area dependant on the workload nationally
- May involve overnight stays away from home
- The individual needs to be mobile

CWU Programme Interface (1 person)

- Interface with Operational Efficiency, Human Resources & Operational Policy Managers
- Agree roll out schedule
- Populate CWU roles
- CWU input into the programme
- Role in problem solving / issue resolution process
- Feedback to CWU Assistant Secretary
- Resolve issues from remainder of CWU team
- Organise & schedule CWU deployment team workload
- Maintain CWU issue log
- Involvement in review period for each tranche

CWU Office Interface (2 people)

- Work jointly with the Assistant Implementation Managers (Office) to complete first draft of duties to the programme timescale. To ensure full effectiveness for this role the individuals will be required to be co located with the Assistant Implementation Manager (Office)
- Review all available data for each branch (Operating Model, Human Resources, duties etc)
- Ensure duties comply with the terms of the National Agreement
- First sign off of the duties
- Provide regular reports back on progress and issue resolution to CWU Programme Interface
- Active liaison with local Section Secretary and the CWU Field Interface
- Issue resolution on basis of any feedback from CWU Field Interface / Section Secretary
- Formal role in problem solving / issue resolution process – will interface with Post Office Ltd at Assistant Implementation Manager (office)
- Identify surplus staff in liaison with HR Advisor and CWU Programme Interface

CWU Field Interface (4 people)

- Attend branch visits jointly with the Assistant Implementation Manager (Field) to support sense check of duties

- Liaison with local Section Secretary with the purpose of seeking his or her support and input of local knowledge
- Feedback to CWU Programme Interface and CWU Desk Interface of staff and Section Secretary concerns over voluntary redundancy process & redeployment process
- Formal role in problem solving / issue resolution process – which must include HR issues – will interface with Post Office Ltd at Assistance Implementation Manager (field)
- Ensure that agreed processes are adhered to
- Responsible, as part of the implementation team, for duties being implemented by the agreed date
- Must support the VR / HR processes integral to the MTSF agreement which “sit behind” the implementation process
- Send duties to Section Secretary

The CWU Field Interface and CWU Office Interface roles will be interchangeable depending on the geographical location of the workload.

Training for Implementation:

- CWU Field and Office Interface roles will require full and detailed training on: -
 - Principles of the National Agreement
 - Principle of the Operating Model
 - Use of staff scheduling software

Training for Business as Usual:

- Section Secretaries & TCR’s will require a high level understanding of: -
 - Principles of the National Agreement
 - Principle of the Operating Model
 - Use of staff scheduling software

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**APPENDIX C
VOLUNTARY REDUNDANCY SELECTION CRITERIA**

Operational Efficiency Programme Rollout - Options on Savings

This brief has been designed to identify the most appropriate solution within branches, ensuring fairness and consistency of approach. The Operating Model will output optimum counter coverage by time of day and day of week based on current workload. The desk based teams will then incorporate this and other information when developing the first draft of duties which best meet customer demand and accommodate staff preferences.

The following table shows the cut off points, and level of savings that would result based on Operating Model outputs.

The overriding principle in all cases will be the overall cost to the business and meeting operational needs

Reduction in hours required (as identified by the Operating Model)	Saving
Less than 12 hours	Flexible solution
12 - 25	Part Timer
26 - 45	Full Timer
46 - 63	1 Part Time & 1 Full Time
64 - 80	2 Full Time
81 - 99	1 Part Time & 2 Full Time
100 – 118	3 Full Time
119 - 137	1 Part Time & 3 Full Time

138 - 156	4 Full Time
157 - 175	1 Part Time & 4 Full Time
176 - 194	5 Full Time etc..

In the following scenarios the steps will need to be followed in the order stated so that the identified saving can be realised.

Scenario 1 – The operating model outputs a weekly saving required of less than 12 hours. There may be a number of solutions present at the branch, e.g. invoke 5 hour clause in part time contracts, there may be temporary variations to contracts that may realise this saving if reverted, part timer has expressed an interest in VR and remaining part timers volunteer for additional hours etc...

Scenario 2 - The operating model outputs a weekly saving required in the range between 12 and 25 hours. This would equate to saving a part time duty (note that a flexible approach to savings should be applied e.g. the current part timers contracted hours may dictate the actual reduction in hours).

Step 1	If a branch has a PT vacancy then this is written out of the AWD and duties re-written
Step 2	Cease any fixed term contracts and examine any temporary variation to contracts that will realise the saving (or part of).
Step 3	Select PT employee for VR on basis of MTSF criteria from applicants
If none of the above can be realised then the following will need to be applied according to cost and operational need:	The following are examples of solutions that may realise the required savings and are not expressed in any order of significance: <ul style="list-style-type: none"> • PT LIFO to be redeployed • Invoke 5 hour flexibility clause • Buy down of FT hours • FT released on VR on understanding that PT staff are willing to increase hours to cover any shortfall

Scenario 3 – The operating model outputs a weekly saving required in the range between 26 and 45 hours. This would equate to a saving of a full time duty

Step 1	If a branch has a FT vacancy then this is written out of the AWD and duties re-written
Step 2	Cease any fixed term contracts and examine any temporary variation to contracts that will realise the saving (or part of).
Step 3	Select FT employee for VR on basis of MTSF criteria from applicants
If none of the above can be realised then the following will need to be applied according to cost and operational need:	The following are examples of solutions that may realise the required savings and are not expressed in any order of significance: <ul style="list-style-type: none"> • FT LIFO to be redeployed • PT released on VR on understanding that PT staff are willing to increase / decrease hours to cover any shortfall / excess

Scenario 4 – The operating model outputs a weekly saving required in the range between 46 and 63 hours. This would equate to a saving of one full time and one part time duties.

Step 1	If office has vacancies write these out as appropriate, the remaining savings to be realised from steps 2, 3 and 4.
Step 2	Cease any fixed term contracts and examine any temporary variation to contracts that will realise the saving (or part of).
Step 3	Select FT & PT employee for VR on basis of MTSF criteria

If none of the above can be realised then the following will need to be applied according to cost and operational need:	<p>The following are examples of solutions that may realise the required savings and are not expressed in any order of significance:</p> <ul style="list-style-type: none"> • LIFO for redeployment • Release 2 FT staff and increase remaining PT staff hours to cover shortfall • Release 3 PT staff
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In all of the above scenarios at Step 1 it is important to consider any forthcoming vacancies, for example retirements. Similarly consideration will need to be given to any current vacancies where recruitment is already underway.

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APPENDIX D - NON-CUSTOMER SERVING TIME

Area	Activity	Rules	Time
General Off Counter			
General	Preparation	10 minutes per day	00:10
General	Close of Business	05 minutes per day	00:05
General	End of Week Balancing	45 minutes once per week	00:45
General	Training	30 minutes once per week for staff scheduled in at time of training	00:30
General	Training	30 minutes once per week for those missed at training time	00:30
General	Security – Morning / Evening	Variable but combined should be approx 40 mins/day on basis of 2 clerks completing both morning and close of business security procedures as per most recent security instructions.	
General	Afternoon summaries	05 minutes per active stock per day	00:05
General	Open plan TDC / RDC Prep or EoD	10 minutes per day per TCD / RCD. Time is allocated either at start or end of day depending on the nature of the office traffic	00:10
Bureau de Change			
BDC	Preparation time - Bureau	10 minutes per day	00:10
BDC	Daily summaries - Bureau	15 minutes per day	00:15
BDC	Close of business - Bureau	05 minutes per day	00:05
BDC	Re-order currency	05 minutes per day	00:05
BDC	Currency Check	45 minutes once per week	00:45
BDC	Weekly balance - Bureau	45 minutes once per week	00:45
Back Office - Standard			
Back Office Standard	Post	15 minutes per day	00:15
Back Office Standard	Forms In	30 minutes once per week	00:30
Back Office Standard	Value stock requisition	10 minutes per scheduled stock once per week	00:10
Back Office Standard	Remittance in/out	15 minutes per day with a scheduled remittance	00:15
Back Office Standard	POPOS	10 minutes per day	00:10
Back Office Standard	Cash account	150 minutes once per week	02:30
Back Office Standard	Daily writing (am)	15 minutes per day	00:15

Back Office Standard	Daily writing (pm)	30 minutes per day	00:30
Back Office Standard	Mail Despatch	Variable depending on volume of priority service items / mail volumes at branch. Typical time allocation will be 10 minutes per despatch. The minimum time allocation is 5 minutes per despatch. In large mailing offices the time allocation may be increased above the typical allocation.	
Back Office Standard	Daily ATM Procedures	10 minutes per day	00:10
Back Office Standard	Weekly ATM Balance	45 minutes once per week	00:45
Back Office Standard	Stamp Vending Machines	30 minutes per SVM once per week	00:30

Back Office - DVLA

Back Office DVLA	Postal MVL	ATT x No. MVLS	00:02:18
Back Office DVLA	Postal SORN	ATT x No. SORNs	00:00:24

Back Office - Other (May Be Done By BM In Some Offices)

Back Office CMA/CWU	Cash & coin supply to counter	05 minutes per scheduled stock per day	00:05
Back Office CMA/CWU	Giro Change To Business Customers	02 minutes per transaction	00:02
Back Office CMA/CWU	Weekly balance of main safe	30 minutes once per week	00:30
Back Office CMA/CWU	Daily cash declaration for main safe	15 minutes per day	00:15

Postshop Types

Postshop	Unmanned Postshop	600 minutes per week	10:00
Postshop	Preparation	10 minutes per day	00:10
Postshop	Close of Business	05 minutes per day	00:05
Postshop	End of Week Balancing	45 minutes once per week	00:45
Postshop	Pay Ins	10 minutes per day	00:10
Postshop	Stores	60 minutes per week	00:12
Postshop	Restocking	45 minutes once per week	00:45
Postshop	Cleaning	30 minutes once per week	00:30
Postshop	PISCES	30 minutes per day	00:30
Browser	PISCES - Mini PS / Browser	15 minutes once per week	00:15
Browser	Stores - Browser	15 minutes once per week	00:15
Browser	Restocking - Browser	05 minutes per day	00:05

DBM Supervision	DBM Supervision	Variable depending on office hours	
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