



TERMS OF REFERENCE

Postbox Strategy 2 and Enhanced Mail Preparation (PBS2 & EMP)

Introduction

The 2018 Guiding Principles National Agreement commits RM and CWU to “continue to progress with the Postbox Strategy to collect from low volume postboxes whilst on delivery and to review the existing criteria given current trends and projections on posted volumes”

The National Agreement also commits RM and CWU to undertake joint reviews of future operational arrangements within the Collections operation to ensure that they address changing customer requirements and remain fit for purpose looking ahead to the next 3/5/7 years (section 16.2.3 refers). The agreement recognises that some current joint activity within the collections operation has tested previous thinking and it is now appropriate to reset the onward agenda.

To assist this, new terms of reference will be produced covering a range of subjects, including:

- Collection Hub Optimisation including a review of the criteria or options for the introduction and location of collection hubs and / or the retention of collections from Mail Centres on a geographic basis as appropriate.
- Enhanced Mail Preparation/Under the Roof activity to improve the flow of work into Mail Centres/Collection Hub network. This will include consideration of the allocation of Enhanced Mail Preparation(EMP)/Under The Roof (UTR) workload across the Mail Centre/ Collection Hub (Primary/Satellite) Network
- Review of Cross Functional working.
- Review of the Postbox Estate including opportunities for parcel collection points.
- New Products and Services including the use of technology enhancements

In addition to the above both parties commit to a review of current arrangements to enhance efficient resourcing to workload which will cover all current resourcing solutions and comply with existing agreements across the relevant functions. This review will be completed by no later than October 2018 and ensure that all employees working within collections achieve the reduction of the first hour of the working week from this date

As a result both parties have been in discussions regarding how the above can be progressed in order that new terms of reference can be finalised to progress each of the initiatives above.

As such both parties have agreed to progress the elements linked to Postbox Strategy and Enhanced Mail Preparation programmes, as set out in the following terms of reference, whilst at the same time managing the people impacts in line with existing national agreements. Further discussions will continue relating to future collection initiatives paragraph which are outlined within the document below.

In addition both parties jointly recognise that to deliver these programmes on all counts may require a degree of flexibility in the planning and application, taking into consideration any potential changes to attendance patterns/duty structures and as such both programmes will be progressed around a common sense and pragmatic approach.

Background Information – Current Agreements

Royal Mail Postbox Estate - under the current prevailing regulatory conditions, RM is obliged to provide a postbox within 0.5 mile by straight-line distance of at least 98% of delivery points nationally; and under the Universal Service, RM must collect from each of these postboxes at least once a day, six-days-a-week.

There are currently 115.3k postboxes across the UK providing an uppermost density of postboxes when compared to other postal operators. Such is this high level of provision, notably in urban areas, that circa 40% of postboxes could be removed from the service offering and the remaining estate still remaining compliant with the above condition.

Stamped mail volumes have declined significantly over the past 4/5 years and against this background of reducing postbox usage, RM and CWU reached a joint agreement in 2014 on Postbox Strategy. Under this programme, circa 45k postboxes have successfully moved to Collections on Delivery (CoD), as those boxes receive less than 50 items per day. These efficiencies have enabled RM to maintain daily collections from all 115.3k postboxes.

Market Research commissioned and undertaken by Royal Mail, which has been shared with Ofcom and the consumer bodies, has confirmed that the majority of both social and small business customers place convenience, rather than collection time, as their key requirement. The research also confirmed that the majority of customers would be willing to travel further distance to post time-sensitive items and they have a preference for posting these at a Post Office branch rather than a postbox.

Stamped mail volumes are forecast to further decline over the foreseeable future and postbox usage will reduce accordingly. To meet customer preference for convenience, RM has reviewed the activities required to maintain daily collections from the full estate of 115.3k postboxes and in this respect has consulted with Ofcom and the consumer bodies. In addition changes were made to the process with which RM needed to give notice of changes to the regulatory conditions and Ofcom has agreed that RM merely need to notify them of the intent and provide consumers with 4 weeks' notice on any relevant changes to time plates of existing collection postboxes.

On this point the CWU responded to Ofcom raising a number of concerns regarding the proposed changes to the way RM were required to consult on any future proposals relating to postboxes; however it is accepted that despite those concerns the above process has been changed and notes that the objective is to maintain collections from all 115.3k postboxes.

Enhanced Mail Preparation - the larger collection hubs undertake differing levels of "under the roof" mail preparation; typically containerising Meter and PPI letters and large letters into trays whilst a very small number of collection hubs also segregate parcels into Yorks.

RM and CWU have jointly reviewed the activities required to improve the flow of collection mail into Mail Centres; thereby enabling mail centres to optimise floor space and processing capacity. Through an increase in "under the roof" mail preparation this will enable the retention of 2c parcels at the Collection Hub to ensure that this aids the overall effectiveness of the pipeline and presentation of mails into the Mail Centre network.

These activities will also support key strategic initiatives such as Parcels Automation.

RM and CWU have also reviewed how these activities can be integrated with other collection initiatives to maximise an efficient operational solution and facilitate local manpower planning.

Postbox Strategy 2 – Programme Scope

Against the background of declining Stamped mail volumes and reducing postbox usage, Royal Mail believe PBS2 is a balanced proposition to maintain cost effective daily collections from all 115.3k existing postboxes, comprising:

- Extending the straight-line distance from low usage postboxes to alternative postboxes with 16:00 or later final collections from the current 0.5 mile to 1.0 mile. This will enable up to a further c.22k low usage postboxes to move to collection on delivery. (This will leave over 40k postboxes on dedicated collection routes with 16:00 or later final collections).

- Reviewing POL relief collections against posted volumes and ensuring thresholds are adhered to alongside consideration of Health & Safety and Mails Integrity.
- Continuing the installation of new postboxes in rural and new build areas not currently served by an existing postbox within ½ mile to improve access and make it easier and more convenient for customers in these areas to post their letters.
- Retaining the facility for customers in remote areas to hand their letters to their delivery postmen/women.
- Trial opportunities for new parcel collection points.
- All other collection arrangements, as agreed under Collections Best Practice and Postbox Strategy, will remain unchanged.

Where “under the roof” mail preparation is currently performed in collection hubs, the above changes will be combined with extending this to full “enhanced mail preparation”. This will be undertaken to a standard specification ensuring mail centres receive collection mail fully prepared and “ready to sort”.

In addition there have been a number of Collection Hubs identified as units that will be the designated location for delivery of non-core T24 parcels. The start up model has produced circa 184 units however both parties accept that this figure could grow if the volumes/products increase and as such the workload associated will be incorporated into revised duties and consideration given to the end state model to maximise efficient delivery of those items through hybrid duties to assist with the extended delivery of products between 7am and 7pm and minimise any impact as much as possible.

To support the above, all revisions will be deployed in line with the Collections Best Practice Revisions Guide. Also, all existing national agreements, joint statements and guidelines covering Collections and any affected functional agreements will be adhered to and remain in place.

The table below identifies the associated impact of the proposal against existing agreements:

Existing Agreement	Changes under PBS2
Low Volume (under 50 items move to Collection on Delivery) on Monday to Saturday	No Change
Relief collections under 100 items in box removed	No Change
POL number of daily visits reviewed	No Change (Volumes threshold reviewed under Horizon data)
Final Pillar Box collection within 1/2 mile radius	Changed to 1 mile. Of the 21k boxes being proposed to move to COD, 6k of these are based on the ½ mile to 1 mile change.

Information / Involvement

The National Collections Joint Working Group will adopt the following way of working, which is not exhaustive or exclusive, and may be expanded through mutual agreement at the respective cross functional local working groups:

- Information relating to the deployment PBS2 & EMP will be shared with National CWU and cascaded, as required.
- The Collections Best Practice Revisions Guide will be jointly reviewed to incorporate any enhancements required for PBS2 & EMP and will form the basis for all planner led collections revisions going forward, however it is accepted that when revision activity is unit led or incurs cross functional activity then other revision guidelines and processes can take priority.

- RM will develop and share with National CWU a project plan for Postbox Strategy including a detailed programme of collection revisions.
- The deployment of PBS2 & EMP will be jointly communicated through national and locally agreed briefings, and joint communications.

As Collections is an operation which impacts across all functions, cross-functional working groups will be established to ensure that each function is represented and fully involved in the planning and deployment process it is essential that all information is shared and that all relevant functions (managers and CWU representatives) are involved from day one working together to deploy any changes in a joined up and coordinated way.

These will be made up of the relevant RM Managers and CWU Representatives across those functions within the areas covered by each revision, plus IR and H&S representatives as required.

Local CWU representatives will be provided with adequate release from duty to enable full and meaningful engagement in the planning and deployment of collection revisions.

In addition, the cross functional working groups will also ensure that consideration is given to other programmes / initiatives i.e. PAD Revisions, Network Reviews and Delivery Revisions to ensure that any changes to Collections are considered and aligned to that functional activity as part of the wider discussions/review on those programmes, including introduction on the SWW. This will require a pragmatic and commonsense approach to ensure that the spirit and intent of all National Agreements linked to the above have been adhered to.

Any request arising from the local working groups for further information or advice should be referred in the first instance to the central Programme team (see annex 2 for contact details). If this cannot be resolved, then the request should be referred to respective Headquarters for consideration and action.

Agreed Approach

The approach for deploying PBS2 & EMP is outlined below. This will be subject to ongoing review by the national Collections Joint Working Group through feedback from the deployment phases and refinement as required through consultation.

- The straight-line distance between postboxes collected on delivery and alternative 16:00 or later final collection points will be extended from ½ mile to 1 mile; each subject to a minimum volume threshold of less than 50 items average per day. Details of these postboxes will be listed and provided for each PBS2 revision.
- Postboxes that have been identified as moving to Collections on Delivery in regards to the Saturday operation will be subject to a more detailed review/analysis to understand whether the impact on people can be dealt with, the mails collected on delivery are able to connect into the pipeline and the network services, as well as meet the Mail Centre despatch/specification and any impact on the duty structures. Where all the above is unable to be achieved without any reasonable adjustments then the postboxes concerned will remain on the existing dedicated collection duty.
- Collection arrangements for the remaining postboxes with 16:00 or later final collections will remain unchanged, including the alignment of relief collections to minimum threshold volumes.
- POL relief collections will be aligned to posted volumes. Verification of the targeted POL relief collections will be undertaken for each PBS2 revision, both in terms of the Horizon data and also the manual counts of mails. The resulting removal of any unwarranted POL relief collections will be subject to a local assessment of POL access/parking and in-

branch storage space to ensure no risks to either health and safety or mails integrity are introduced.

- Re-plating of all low usage postboxes moving to collection on delivery will be undertaken by the collection drivers in the majority of locations or by Romec where required.
- Low usage postboxes moving to collection on delivery will be mapped to delivery routes and factored into delivery workload and the agreed Blue Pouch process for ensuring quality of service will be introduced and maintained in all units.
- Where postboxes move to collection on delivery they will run alongside existing final clearances prior to the collection revision deployment date for a 2 week period before switching off the current final visit when the revision goes live.
- Georoute enabled revisions, following the Collections Best Practice Revisions Guide will be planned and deployed in the larger collection units. Deployment of the revision will be agreed locally and progress monitored through the local working groups.
- Unit led (aka table-top) revisions, following the Collections Best Practice Revisions Guide will be planned and deployed in the smaller collection units. Deployment of the revision will be agreed locally and progress monitored through the local working groups.
- Areas currently not served by an existing postbox within ½ mile will be identified and, where warranted, new postboxes will be installed in line with respective collection revisions or provision will be made within the new routes or existing walks to accommodate future installation.
- Quality of service will not be adversely affected in any location. A range of measures are contained within the phased revision process to protect Access quality of service. Additionally, a national review of postbox "day tabs" will be undertaken to validate their provision and use.
- Impact on the changes to mail flow and potential arrival profiling within Mail Centres will be shared as part of the local revision process

The deployment of PBS2 & EMP will be completed in 4 phases (attached Annex A) over a two year period, commencing June 2018.

RM will provide, in advance of each phase, a plan detailing the revisions and their indicative commencement and deployment dates. This plan may change in response to prevailing circumstances, and RM will notify CWU of any such changes at the earliest opportunity.

PBS2 & EMP will be deployed through a structured programme of activity, following the agreed six-phase approach. This will include the development of a detailed activity plan for each mail centre catchment area.

PBS2 & EMP will result in changes to duties and reasonable consideration will be given to employees affected by changes to attendance patterns/duty structures and earning potential. All changes will be managed with full adherence to standard business practices and associated national agreements including MTSF.

Once an office has completed the revision activity for their respective unit, there will be no further full revision activity for a period of 12 months, it is accepted there may require BAU activity and this will be through the normal processes.

Exceptions process for postboxes identified for Postbox Strategy 2 (COD)

The circa 22k low usage postboxes that will move to collections on delivery have been identified through volume counts entered into CMD and through the use of the Postbox Mail Monitoring Device (PMMD), as well as information collected by collection drivers as part of previous collection revisions undertaken over the last 3 years.

It is anticipated that there will be minimal changes to this number considering that stamped volumes have declined year on year to date.

Where there is local knowledge and/or evidence indicating an error in the identification of a postbox to move to collection on delivery the following process should be followed:

- The unit manager in conjunction with the unit CWU representative will then provide the Lead Collections Planner with the following required information:
 - CMD unit name
 - Postbox name
 - Postbox number
 - In the first instance, best practice would be that PMMDs should be used to acquire volume count information for 5 consecutive days (Consideration should be given to the time of year this is carried out), however it is accepted that there will be occasions when it will be easier for manual counts to be conducted to prevent any unnecessary delays to the process.
 - For specific postboxes where posting profiles may be exceptionally different, manual counts may be used to support PMMD. The suggested approach is for the collection driver to bag and label the contents of the identified Postbox with the Postbox number so that this can be jointly counted and recorded back at the unit to avoid any delay. The PMMD and manual counts can then be compared.
 - Reason for restoration to a post 16:00 collection. (This may also be due to non compliance with the ATS i.e. not within a mile of a post 16:00 Postbox)
- The Lead Collections Planner will then escalate this to the central Collections Programme team for restoration to post 16:00 as the timeplate change will need to be removed from the deployment plan.

Deployment

Information will be shared, as required, with the national Collections Joint Working Group including a data pack detailing the number of low volume Postboxes and their locations.

Data packs will also be produced for each area undertaking a PBS2 & EMP revision to provide the basis for local discussions. The local working groups will use this information as the basis for discussions and also to review whether the exceptions process contained above is required;

The local working groups will also need to consider if there may be a need to simultaneously perform a non-binding preference exercise for units affected by the PBS2 & EMP revisions.

Changes to duty sets will be agreed locally in line with the IR framework. The local working groups will support this process as and when required and any issues of interpretation will be sent to the National Collections Joint Working Group.

Future Collection Initiatives

Both RM & CWU accept that further discussions will continue relating to the below, which will be reviewed and subject to further TOR/Agreement by October 2018 which will also include the review of current arrangements to enhance efficient resourcing to workload which will cover all current resourcing solutions and comply with existing agreements across the relevant functions and will ensure that all employees working within collections achieve the reduction of the first hour of the working week from this date:

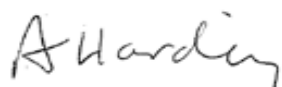
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- Review of the Postbox Estate including opportunities for parcel collection points.
- New Products and Services including the use of technology enhancements

Review

The deployment of the PBS2 /EMP will be jointly monitored and reviewed by the national Collections Joint Working Group. Any emerging issues will be resolved with reference to existing national agreements, joint statements and guidelines where appropriate.

Additionally, for areas of integration with other initiatives, PBS2 & EMP will also be monitored by the other national functional Joint Working Groups.



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