

Letter to Branches

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General Secretary: Billy Hayes (www.billyhayes.co.uk)

No:836 /10

Ref: 101

Date:28th September 2010

To Postal Branches with Parcelforce Members

Dear Colleague

AGREEMENT BETWEEN PARCELFORCE WORLDWIDE AND THE CWU REGARDING PAST & CONTINUING REWARD 2010.

Branches are advised that at a Postal Executive meeting held today on the 28th of September 2010, an agreement was ratified regarding the Parcelforce past and continuing reward 2010 which has resulted in a following being achieved.

AGREEMENT.

- £11 of all current weekly bonus schemes will be converted into a non-pensionable addition to basic pay for all CWU represented grades and will be subject to all increases in pay both in this agreement and the future. A further commitment is given to retrospectively apply the concept of regular bonus payments being converted to non pensionable elements of basic pay for all administration bonus schemes once further understanding of individual schemes has been explored.
- 3% rise in all elements of pay including the £11 non-pensionable addition to basic pay, S/A, overtime, all allowances and pay ranges etc backdated to the 1st April 2010.
- The introduction of a new productivity scheme aligned to direct unit costs and to be run concurrently with the existing schemes will be introduced. £7per week will be paid from the acceptance of this agreement and until the arrangements for the new scheme have been agreed and finalised and appropriate measures/procedures are in place. The £7 will represent the maximum payment achievable per week when the scheme is finalised and will be determined and agreed by set criteria, target to be completed by mid-January.
- £325 lump sum paid to all employees, pro-rata to less than fulltime staff, upon acceptance of the agreement. An element of this payment is in recognition of employees' excellent performance over the first half of 2010/11.

It should also be noted that the agreement makes specific and positive commitments to both the future of Parcelforce and the maintenance of the standard of living and job security of our members.

A copy of the Agreement has been attached to this document for your information.

The agreement will be subject to an individual member's ballot and consultation with the SDGS Department will be taking place in regards to Ballot arrangements, details which will be communicated to the Branches as soon as they are available.

In addition there will also be a briefing held on the 6th of October 2010 and the relevant Branches will receive information in this regard in the next few days.

Branches Secretaries are requested to ensure that our members are made aware of the content of this LTB.

Any enquiries in relation to this matter should be addressed to Terry Pullinger, Assistant Secretary, email dwyatt@cwu.org, quoting reference 101.

Yours sincerely

Terry Pullinger
Assistant Secretary

AGREEMENT BETWEEN PARCELFORCE WORLDWIDE AND THE CWU
REGARDING PAST & CONTINUING REWARD 2010.

INTRODUCTION.

These negotiations have been unusually difficult given the external pressures facing the business and the impact of higher inflation on employee's pockets. Over the past two years Parcellforce Worldwide has been forced to respond to the commercial impact of the global economic downturn and the subsequent levels of competitive challenge. Both parties agree that throughout these difficulties the performance of our employees/members has been absolutely exceptional.

The challenging task for us during the negotiations was to test our ability to respond to the priorities of maintaining job security and continuing to offer industry leading terms and conditions. This could only be done by balancing a fair and just reward package with the requirement to maintain sustained financial health of the company. As we have previously acknowledged both parties were mindful that they could not ignore the impact that inflation has and is having on employee's families and their standard of living.

Against that backdrop we are pleased to have arrived at the following negotiated settlement.

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- 3% rise in all elements of pay including the £11 non-pensionable addition to basic pay, S/A, overtime, all allowances and pay ranges etc backdated to the 1st April 2010.
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- £325 lump sum paid to all employees, pro-rata to less than fulltime staff, upon acceptance of the agreement. An element of this payment is in recognition of employees' excellent performance over the first half of 2010/11.

We are conscious that talks this year have been lengthy and both parties are committed to a target of the next reward review discussions to be concluded by and effective from the 1st of April 2011.

PROGRESSIVE AGENDA.

Both parties agree that it is extremely important that we all keep progressing to new levels of company performance, working relationships and rewarding employment. We believe that this is best done by strengthening the strategic partnership 'Table of Success' and through the sharing of ideas to develop consensus solutions to our ongoing challenges.

This agreement enables our joint ambition to continuing to build on our excellent record of success and signals the commencement of our growth era.

- We will continue to put the customer at the heart of what we do.
- We will continue to ensure our employees have a safe, rewarding and high quality working environment.
- We will continue to focus on cost, efficiency and revenue generation.
- We will continue to invest in our IT capability to enable us to develop exciting and innovative new products.
- We will continue to target new customers and to grow our business both domestically and international.
- We shall be agreeing and implementing new high standards of security to enhance our reputation as a high value highly secure provider.
- We will focus on our compensation arrangements and procedures to reduce the costs in that area and improve our quality of service.
- Changes to VAT arrangements are likely to provide a substantial benefit and can contribute to the future investments that will be required to grow our business.
- It is Parcelforce Worldwide's strongly held ambition to explore new markets and grow significantly over the next 5 years to double our current size. Plans are far reaching and complex and will continue to evolve over the coming months.

Successful implementation of the above will ensure a healthy and secure future for Parcelforce Worldwide and its employees. So, to support this both parties will immediately start joint development and planning on the following:

- A review of our flexible labour model with the aim of ensuring our practices are suitable for a high quality parcels carrier operating in a competitive modern market.

- A review of ongoing efficiencies within the hubs.
- Implementing revised and improved security arrangements.
- Introducing new IT capability which keeps us ahead of our competition.
- A review of administration functions including looking at the potential of centralisation of customer services.
- A review of depot revision procedures which provides a transparent and fair revision process whilst protecting required productivity levels.
- Continuing our approach of working in joint consultation on bespoke arrangements for large customers.
- Joint working on new market entry initiatives.
- Creating a standardised process for Parcelforce Worldwide employees working on customer premises.
- Continuing our discussions with a view to quickly implementing a jointly agreed approach to improving utilisation of Network Capacity and revising the international feeder network.
- Reinvigorating the spirit and workings of the 'table of success'

The Operations Director Parcelforce Worldwide and the CWU National Officer will priorities and oversee these projects progressed inline with the spirit and intent of the 'Table of Success' process.

Both parties agree that there is a requirement for ongoing discussions in relation to the above list. Our April 2011 package discussions will take account of this progress and will take place within the context of the prevailing market conditions at that time and our commitment to maintain the standard of living and job security of our employees / members.

This approach forms an integral part of any ongoing dialogue on the 'Progressive Agenda'.

Terry Pullinger
Assistant Secretary
CWU

Peter Macdonald
Director HR
Parcelforce Worldwide