

Parcelforce Worldwide and CWU Joint Statement on Progress of Sunday Working Discussions

Branches and representatives will be aware that following the aforementioned briefing the department engaged in a week of intensive negotiations with senior Parcelforce management. Colleagues will recall that the aim of these negotiations was to address a number of serious issues associated with the expansion programme, intense competitor activity in the parcel business, the CWU/PFW relationship and the pending introduction of Sunday Deliveries/Seven Day Working.

As reported in LTB 389/14 progress was made in a number of key areas including a joint commitment to renewed joint focus in respect of management and CWU relationships, involvement and developing mutual interest solutions, issues that are at and will remain at the very core of the PFW Business and Operational Model going forward.

As reported a series of Joint Statements will be published to support the aspirations detailed above and which will support the operation in the field to rise and meet the challenges we all now face from increased competition and the changes to the market place in general following the online retail revolution.

It is against this back drop that a Joint Statement has now been concluded to cover the initial introduction of the new PFW Sunday Product and which also clarifies the interim operational/resourcing arrangements that will be deployed to support its introduction on 29th June, which includes clarification of the minimum attendance hours.

We consider the Joint Statement as a positive start point for this initiative and would ask you to note from the attached that once the scale and nature of the Sunday product offering has more clarity, more detailed national discussions will take place. The aim of these negotiations will be to agree sustainable mutual interest resourcing options/solutions that will cover the entire PFW operational model.

Parcelforce Worldwide and CWU Joint Statement Progress of Sunday Working Discussions

Further to the previous joint statement on 29th May and following our joint working session this week, we can now provide a further update on our discussions regarding the forthcoming start of Parcelforce Worldwide's Sunday delivery service which commences on Sunday, 29th June 2014.

Agreement on the arrangements for the launch of this service is reaffirmed on the following principles:

- The principle resourcing approach across all functions of the operational pipeline, Hub, Network and Depot will be the creation of an in-house solution through voluntary overtime at our existing rates with initial duty spans of a minimum four hour attendance span. Local discussions in each function will determine the actual required attendance times appropriate to them and be encouraged to look at a range of potential arrangements designed to meet the above aspiration.
- Only where this is not achieved will alternative options, for example, the use of owner drivers or agency or courier resource be deployed.

Initial volumes are unclear at present but once known then volunteers will be sourced to cover off the operational requirements for the hub, depots and network. It is accepted and understood that early volumes are likely to be low and that pragmatic and creative solutions will be required in the short term until volumes ramp up.

Against this backdrop, whilst we recognise the extremely challenging time scales attached to the launch of this service, in order to facilitate a successful deployment, proposed operational parameters and arrangements including any arrangements to cluster Depots will be shared with the CWU both nationally and locally at the earliest possible juncture. This should allow meaningful discussions to take place and ensure that in-house volunteers can be sourced in a timely manner. Where 'Cluster Depot' arrangements are deployed it is agreed that volunteers for the resourcing needs will be offered to all Depots/Parcelforce operational sites within reasonable travelling distance. Again the details of identifying resourcing potential will be the subject of more detailed regional discussions.

In the medium term, once the scale and nature of the service is clearer, our joint aspiration will be to establish and agree more sustainable mutual interest, attractive resourcing options/solutions through joint national discussions.

It cannot be underestimated that the introduction of a Sunday service by PFW represents a bold response to the market, extending our product offer to 97% of the UK population. We both recognise the importance of this step and have a mutual interest in ensuring its success.



Terry Pullinger
Assistant Secretary
CWU



Peter Fuller
Operations Director
Parcelforce Worldwide

Date: 17th June 2014

Joint Statement Between Parcelforce Worldwide and the CWU Regarding Progress of Joint Working Sessions

Branches and representatives will recall that the briefing was advised that a week of high level intensive negotiations had been scheduled for week commencing 9th June 2014. The objective of these very serious discussions was not only to discuss the pending introduction of Sunday Deliveries/Seven Day Working; but also to address the challenges of accelerated investment deployment, intense competitor activity and the pressure these bring to relationships, performance and agreed ways of working.

I am pleased to be able to report that the week of forthright exchanges and detailed self analysis have produced a renewed joint focus and determination to ensure that our DNA in Parcelforce, in respect of management and CWU relationships, involvement and developing mutual interest solutions, are and will remain the key to our success.

As a consequence there will now be a series of Joint Statements and activity which should demonstrate that we have kicked up the dust, cleared the atmosphere and are ready to jointly shape yet another successful new era for Parcelforce, not at the expense of our people but with our people.

The main purpose of this communication is to confirm that we are now in an agreed process that will address the current operational concerns, drive out negativity and create positive momentum for CWU members & representatives and afford confidence that voices have been heard and responded too.

We have set ourselves an exciting set of challenges and of course it will take time but agreeing to do it and the manner in which it will be done is a very important start to our re-focus agenda.

Branches and representatives are requested to ensure that our members working in the Parcelforce sector are made aware of the content of this LTB and the attached Joint Statement. Further information/updates will be circulated in due course.

Parcelforce Worldwide and CWU Joint Statement Progress of Joint Working Sessions

Our recent joint statement on the introduction of Sunday Deliveries and Seven day working, established that a renewed focus was planned to address current operational challenges that the business faces following our own aggressive expansion investment that was deployed last year. We jointly recognised that the energy and focus of deploying a programme which delivered a new processing hub, eight new depots, equipment updates in twenty six more depots and the redesign of over four hundred routes has, regardless of how commendable, somewhat distracted us from the rigorous application of our agreements and our existing key values.

Against this backdrop a full week of intensive discussions has now taken place. This included presentations on the latest commercial and operational realities the business faces and joint workshops involving Area General Managers and CWU Regional Organisers in line with the principles of our already established Table of Success relationship model.

Following our analysis the growing day to day operational depot challenges regarding Quality of Service, First Time Delivery achievability, mixed resourcing arrangements, network arrivals, courier usage, IT issues and the need for duty revisions, are acknowledged and are now our joint priority to resolve. To

refine our data gathering, ensure momentum and identify any quick fixes consistent with a mutual interest agenda, the Area General Managers and CWU Regional Organisers will now be arranging to meet all local managers and representatives to continue informing the work commenced at national level.

This joint statement provides an initial update on the progress of those discussions and we are extremely pleased to report that whilst there were many challenges for us to address, all parties approached the task in a positive way and created an environment that allowed for open debate and sharing of issues and ideas. This has resulted in an agreed list of mutual interest activities aligned to the programme of works contained within the Agenda for Growth agreement. A further detailed communication will be produced over the coming days where we will share all of those activities.

Our immediate priorities are to formalise our approach to the "Post Expansion Review" which will include the development of a new revision agreement. The principles of how this will be achieved have been established and are in the process of being formalised. We have also agreed to some parallel joint working reviewing current performance to seek opportunities for quality and efficiency improvement which will ensure an early return to the mutual interest behaviours that have been the foundation of recent PFW success.



Terry Pullinger
Assistant Secretary
CWU



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Operations Director
Parcelforce Worldwide

17th June 2014