

National Agreement between Post Office Ltd and the CWU for the Application of the Crown Productivity Matrix when Implementing Permanent Schedule Reviews in Crown Offices

1. INTRODUCTION

1.1 The Crown network is losing over £1m per week, so it is vital that this is addressed by making Crowns more productive and efficient. Overall there will be a requirement to reduce costs so that resource levels are aligned effectively to customer flow and current income levels.

2. PURPOSE

2.1 The objective of this agreement is to introduce an improved method to achieve the optimum fit between workload and counter staffing levels by the use of the productivity matrix; thereby providing excellent customer service by improving staff scheduling and productivity.

2.2 This agreement will complement and contribute to the activities which currently form part of the Crown Transformation Programme

2.3 This is an overarching agreement, future changes to Crown staff schedules as a result of specific activities or initiatives will be supported by individual agreements.

3. KEY PRINCIPLES

3.1 Achieving the required commercial and financial recovery is paramount and a key objective for POL, but this must not be to the detriment of providing excellent customer service

3.2 Post Office Ltd (POL) aims to be a good employer offering long-term job security with good terms and conditions of employment to both full and part time staff.

3.3 The Communication Workers Union (CWU) recognises POL's ongoing objective to introduce change without the need to resort to compulsory redundancy.

3.4 It is not the intention to proactively alter the full time: part time mix in the Crown, which will continue to be governed by the principles and processes defined in COSA. Recognising that a mix of full time and part time staffing arrangements remain the most effective means of addressing the issue of delivering excellent customer service to customers, along with the proper deployment of the Flexible Attendance System.

3.5 POL and CWU are committed to working together in an open and transparent way in the interests of the business, the employees and the customers.

3.6 The implementation of the programme of reviews will be underpinned by a commitment to joint working under the terms of the Industrial Relations Framework Agreement 2010.

3.7 This agreement is designed to help foster good industrial relations at national and local level. POL will fully involve the CWU in the implementation of this agreement and will share all relevant information.

3.8. In recognition of the need to include all employees in this activity, management grades across the Crown Office network will be jointly reviewed with POL and CMA/Unite to ensure that any cost savings resulting from the deployment of staff costs to income ratio are shared.

4 THE PRODUCTIVITY MATRIX

4.1 Since the 2005 Operational Efficiency Agreement, the Operating Model has been used as a basis to calculate the counter hours required. This was refined in the Permanent Duty Review Agreement (2009) to include additional factors, such as scaling factor performance, customer session trend and total income performance year-on-year to ensure correct decisions on hours were being made.

4.2 With the introduction of this agreement, the Crown Productivity Matrix will become the standard tool by which staff schedules will be

developed and reviewed. This will require a revised process to construct duty schedules.

4.3 There are three components to the productivity matrix:

- Staff Cost to Income ratio (SC: I). Calculated by measuring total variable income against net staff costs (excluding non managed costs, e.g. long term sick, maternity leave, precautionary suspension and new entrant training)
- Customers served within five minutes, measured by Mystery Shopper and CMS, this target is set annually.
- Branch Throughputs. Calculated by dividing total counter workload by total staff hours worked on the counter.

Total counter workload = average transaction time (in seconds) x
Volume of Transactions divided by 3600

Total staff hours worked on the counter = number of active users on
Horizon by 15 minute interval divided by 4

4.4 Staff cost to POL: income ratio is the key measure and will be the main criteria by which Crown hours are set, but the aim is to achieve performance in all three components in 4:3

4.5 Crowns will be clustered into similar branch types based on geography, branch type and customer profile.

4.6 The operating model will continue to be used as a tool to understand customer trends in the office and to schedule staff to meet customer demand in order to improve the customer experience

5. OBJECTIVES

The aim will be:

- 1) Mid term: each Crown to reach the average SC:I of the group or maintain their current performance if better than cluster average.
- 2) Longer term : all Crowns to reach 1.00, i.e. every £1 of staff cost delivers £1 of income,

- 3) Once (2) becomes the norm, then staff costs should be targeted to deliver more income and/or reduce staff costs so that a more commercial rate is achieved.

6. WORKING TOGETHER

6.1 Joint workshops will be delivered to all CSCSMs and the Area Reps to equip them to deliver all Crown reviews using the Productivity Matrix.

6.2 Appendix C, paragraph 5 of the Industrial Relations Framework sets out that Area Reps and BMs are jointly responsible for the construction and negotiation of duty arrangements in Crown offices. Branch Managers have ultimate responsibility in ensuring staff schedules enable the achievement of customer experience and SC:I targets.

7. CONSTRUCTING STAFF SCHEDULES/ATTENDANCE PATTERNS

7.1 Following joint training workshops, CSCSMs and ARs will review the SC:I budget spreadsheet targets and the Crown Productivity Matrix to decide which of their Crowns need to be prioritised for attention.

7.2 There will be a need to focus on those Crowns where the biggest benefit can be achieved and take account of the ease of delivery, e.g. where vacancies exist against the old template, or where colleagues can be transferred out of a less efficient Crown to one where there are service issues and the budget allocation can cover the additional staff costs. An implementation plan will then be agreed between the CSCSM, BM and Area Rep.

7.3 The BM will obtain an Operating Model report from the 'Crown Productivity & Service' mailbox and provide this to the AR to assist with understanding customer trends in hour by day.

7.4 The BM and AR should discuss the future office review and new staff schedules with the staff at a local WTL slot.

7.5 The BM and AR will update the staff on the mid term SC:I targets and the future target hours to be achieved, thus calculating the new AWD, as well as any improvement opportunities relating to Branch Throughputs and delivering the customer experience.

7.6 Staff will be given the opportunity to raise with the BM and/or the AR suggestions that will support the future office review and new staff schedules and to identify any local issues.

7.7 On receipt of the Operating Model report, the BM and Area Rep meet to draw up revised schedules to match the new AWD calculated within the SC:I target hours, using the latest scheduling tool, giving consideration to customer experience indicators, such as CMS data if available, Mystery Shopper waiting time performance, etc. Office productivity should be understood via branch throughputs, which may provide further performance improvements.

7.8 The new staff schedules should aim to provide the best format of resourcing that will provide flexibility and solutions for the long term. Additional areas to take into account include format of branch, plus any meeter & greeters; FS posts; business banking; lunch time demand requirements and any other factors that need to be assessed to make sure that the new schedules offer the best customer service throughout the week.

7.9 Once the revised schedules have been agreed by the BM and Area Rep, which deliver the target hours required under the mid term SC:I target, the existing reserve levels are reviewed in line with COSA 6.8 to agree, if appropriate, the new reserve hours and format for the office. Any part time reserve hours should be set at least to the minimum of the part time schedules.

7.10 The BM and Area Rep should complete the office review summary and align existing staff to the new schedules and reserve format. Any Family Friendly duties and known staff changes should already be understood and taken into consideration when aligning staff to new schedule format. Any supernumerary hours or vacancies should be clear from the completed review summary.

7.11 The BM and Area Rep should send the completed schedule and review summary to the CSCSM and TR for sign off. They should ensure that the new schedule agrees with the AWD established by the SC:I target hours, reserve and management level has been

reviewed and that the new schedule format will provide long term flexibility and achieve customer experience goals. The CSCSM and TR will be required to sign off new schedules and the review summary detail before the schedules are agreed for implementation.

7.12 Once sign off has been received, the BM and Area Rep can then formally share the new schedules with the Crown team at the next available WTL session and an implementation date agreed to avoid month end, giving a minimum of four weeks notice.

7.13 Revised schedules, having been completed and agreed at all levels, should be sent by the BM to the 'Crown Productivity & Service' mailbox by pressing the fast key built into the scheduling tool. The completed office review summary, highlighting any resultant surplus hours, including any vacant hours, should also be sent into the 'Crown Productivity & Service' mailbox. A copy will be provided electronically to the AR.

7.14 It is not expected that the application of this process will work across the whole Crown network, so a number of challenges that are exceptions are expected. For example, small Crowns that are restricted to around 145 hours to provide minimum counter cover. Exceptions may be raised by BMs and ARs, but any request to align schedules above target hours should be raised with the CSCSM who will then discuss and agree any change to target hours with the TR.

7.15 Pending the review referred to in 3.8, managerial template in Crowns will be adjusted to comply with any change in numbers of staff in post.

8. CALCULATION OF TARGET HOURS

8.1 Target hours are calculated by taking the overall budget allocation hours, which are the number of hours required to bring the office to the relevant SC:1 point, as set out in paragraph 5 "Objectives", and either planning in a level of hours for absence cover, e.g. holiday cover, or running with the higher weekly allocation and plans to cover all short term absences/pressure with the use of COSA Flexible Attendance System. Casuals will only be used as an absolute last resort as per COSA 6.10.

8.2 The target hours calculation will be shared with the CWU. Any challenge over the calculation must be raised as soon as possible, with the aim of resolving any differences as a matter of urgency.

8.3 Target hours are based on offices achieving expected income levels throughout the year.

8.4 Target hours will need to be reviewed on an ongoing basis throughout the year, e.g. if a large variance in income levels exists.

9. STAFF SCHEDULE CONSTRUCTION STANDARDS

9.1 When constructing schedules, the BM and ARs will consistently apply agreed standards, as outlined in the paragraphs below, and comply with training received on this between February and May 2011.

9.2 COSA standards apply for content, e.g. minimum attendance, meal reliefs, teabreaks, reserve template, balancing time (which will remain solely for balancing), training etc.

9.3 COSA preparation/end of day time will continue to apply and:

- will not include ONCH, for which time is not provided.
- will not include huddles, which will be conducted by the BM on an informal basis during the course of the day as per the Sales Code of Practice

9.4 Schedules will be constructed on the basis of a minimum of two colleagues (exclusive of FS) serving on the counter at all times.

9.5 MUTE (Multi User Tills) is the business standard and schedules will be constructed on this basis.

9.6 Admin time as per the Permanent Duty Review Agreement 2010, Appendix B will apply. This has been reproduced here in appendix A with the revised timings included for monthly balancing. These timings will be factored into the staff schedules. Where necessary, BMs will defer or bring forward non-urgent admin work to protect customer service.

10. FINANCIAL SALES SPECIALISTS (FS)

10.1 The principle to be followed is that offices will construct staff schedules in line with the agreed FS template. Any current FS vacancies should still be included in the new staff schedules.

10.2 FS duties shall be shown in the line charts, but the scheduling tool counts FS as counter serving so these will need to be netted off, even though they are customer facing and will be included in the overall provision for customer service.

10.3 FS attendance will be scheduled over no more than five days each week. Attendance patterns will ensure that each FS works a minimum of two Saturdays per month.

11. HOLIDAY RESERVES

11.1 The hourage for part time holiday reserves will be based on the best fit for each branch, for example, where there is a broad range of part time hours, the part time leave reserve hours will be set at no less than the minimum part time duty in the branch. Where there is a rotation around a standard part time hourage, the part time leave reserve will be set at this level, whichever makes most operational sense.

11.2 Holiday reserve entitlement will be recalculated as per COSA and will be based on all staff working in the Crown Office, including FS, ABM and BM. The holiday signing process is covered in the annual communication, "Holiday Guidelines".

12. IDENTIFYING SURPLUS HOURS

12.1 Revising the schedules may create surplus hours; this is acceptable, but the base schedules must meet the required SC:l target.

12.2 Once revised schedules have been drawn up by the Branch Managers and Area Reps, any supernumerary hours realised as a result of this activity should be removed where possible:

12.3 In the absence of voluntary redundancy opportunities where

surplus hours exist after the duty review, changes will be made in the following order:

- 1) Vacant duties will cease
- 2) Fixed Term/Specific Event contracts(FTC/SEC) will cease
- 3) Temporary variations to contracted hours for permanent employees will be reviewed
- 4) Appropriate surplus employees identified and redeployed to suitable vacancies and/or bump FTC/SEC

12.4 In Crowns where surplus hours exist, and where there is no FTC/SEC in post, surplus permanent employees will be redeployed to nearby Crowns with no surplus hours which have vacancies and/or FTC/SEC. In these circumstances, FTC/SEC in the receiving Crown will cease.

12.5 Where an individual is displaced, the Crown Office Staffing Agreement (COSA) redeployment process at 6.9 will be used. Placements will be within reasonable travelling distance and excess travel expenses will be paid in accordance with current MTSF policy (currently three years). Full appeal entitlements will apply.

12.6 Individuals will be offered a permanent contract if they have completed two years (SEC) or one year (FTC) service on the date their SEC contract is due to be ceased.

12.7 Where there is an opportunity to retain a FTC/SEC on a permanent contract, and there is more than one FTC/SEC in the Crown, selection will be based on performance measured by individuals having already passed the trial period and progressed to 'Fully Competent' via the pay progression agreement.

12.8 Once a duty review has been completed and there are no surplus employees, and all permanent staff are in templated posts, any FTC/SEC covering templated positions will be made permanent. SEC staff covering maternity, long term sick or other absences will remain temporary. Future recruitment to vacancies will be on a permanent contract basis.

12.9 In Crowns where surplus hours are realised as a result of the review of the staff schedules, and nothing can be done to align staff contracts, it is accepted that there will be surplus hours and the BM/AR in conjunction with the CSCSM, will need to prioritise how these surplus hours can be used.

13. IMPLEMENTATION DATA CAPTURE

13.1 The following data will be captured during implementation and will be provided to the CWU on a monthly basis:

- 1) Agreed target hours, including any agreed exceptions
- 2) Changes to establishment, including reserve changes
- 3) Colleagues redeployed
- 4) Temporary contracts ceased
- 5) Temporary variation in contracts ceased
- 6) Changes to staff hours
- 7) Surplus hours by Crown
- 8) This data to be used for:
 - Resolution of any disagreements
 - Ensuring consistent application of this and other specified agreements

14. COMMUNICATIONS

14.1 A communications plan will be developed and agreed to include:

- A joint POL and CWU statement
- Launching individual branch reviews at WTL
- Comms from POL Head of Crown Services and Efficiency to BMs
- Joint POL/CWU presentation to CSCSMs and Area Reps and BMs

15. DISAGREEMENTS

15.1 In the unlikely event of disagreements arising from the implementation of this agreement, they will be progressed in line with the Industrial Relations Framework Agreement, Appendix G: Procedural Framework.

15.2 Any points of principle will be referred to the signatories to this agreement for resolution.

16. REVIEW

16.1 In recognition of the fact that this is an innovative method for constructing duties, the information at 13.1 will be examined on a monthly basis to test the effectiveness of the methodology.

16.2 This agreement will be subject to a formal review at the completion of the mid term duty reviews.

Tom Pegler
POL Productivity & Service Manager

Andy Furey
CWU Assistant Secretary

**APPENDIX A
ADMIN TIME**

Area	Activity	Rules	Time
General	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 per SU on a Trading Period week	40 minutes once per week	00:40
General	End of Week Balancing per SU on a non Trading Period week	10 minutes once per week	00:10
General	Training	30 minutes once per week for staff scheduled in at time of training	00:30
General	Sales Capability Training plus WTL	60 minutes once per week scheduled into all duties	00:60
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. Foreign Exchange keys 10	

		minutes per day
General	Afternoon summaries	00:05
General	Open plan TDC / RDC Prep or EoD	00:10
		05 minutes per active stock per day
		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
Bureau de Change	Bureau de Change Preparation time – Bureau	00:10
Bureau de Change	Daily summaries – Bureau	00:15
Bureau de Change	Close of business – Bureau	00:05
Bureau de Change	Re-order currency	00:05
Bureau de Change	Currency Check	00:45
Bureau de Change	Weekly balance – Bureau	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	Branch accounts on a Trading Period week	60 minutes once per week	01:00
Back Office Standard	Branch accounts on a Non Trading Period week	15 minutes once per week	00:15
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.

10 minutes per day	00:10
20 minutes per day (2 X 10 mins)	00:20
45 minutes once per week	00:45
30 minutes per SVM once per week	00:30

Back Office Standard	Daily ATM Procedures	
Back Office Standard	Daily Foreign Exchange ATM	
Back Office Standard	Weekly ATM Balance	
Back Office Standard	Stamp Vending Machines	

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

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

CWU