

No. 147/24

30th April 2024

Dear Colleagues,

Terms of Reference – Collections Proof of Concept Trial Transfer of Collections Work from PFW to Royal Mail in the Stoke Area

Branches will be aware that Section 5 of the Business Transformation, Recovery and Growth agreement (BRT&G) included commitments in relation to Section 5 - Establishing an Optimised Single Parcel Network for Larger Parcels.

Collections is an area with the potential to further test the “once over the ground” principle, as both PFW and RM cover the same geography and, in some cases, the same locations when collecting customer parcels. This Collections trial will further support the assessment of the potential for a Single Parcel Network.

RM have dedicated collection drivers often covering the same ground as PFW C&D drivers and, in the case of POL sites, visiting the same locations. The attached TOR for a trial in the Parcelforce Stoke Depot catchment area is being undertaken to test the ability of moving some PFW collections to RM collection drivers and to further test the principle of “once over the ground” in a collections scenario. The PFW-collected items will be returned to the RM Collection Hub, then get collected by PFW drivers in the area to deliver the traffic to Stoke LD, ensuring they enter the PFW outward network ready for dispatch.

The trial will test:

- Ability of RM Collection Drivers to cover PFW collections, including vehicle capacity, cubic volume / size of parcels;
- Test RM collection capacity, synergy and absorption potential;
- Productivity opportunity for PFW C&D drivers - creating delivery-only routes by removing collections and ‘must return’ time to meet posted network trailers;
- QoS / connectivity to get PFW-collected items into the PFW network via RM collection hubs to the LD - to consider all available options (e.g. via MCs, direct to PFW hub);
- RM Collections QoS;
- Parcel visibility i.e. PDA scan events;
- Customer feedback.

The trial will take place in Stoke LD and will include the surrounding RM Collection Hubs over a 3-week period from 29th April 2024.

Both departments have been informed that wider comms were incorrectly issued in some areas not covered by the trial. For the avoidance of doubt, the agreed activity only applies to the Stoke area and all current collection arrangements in other areas are unaffected by the trial activity.

Additionally, in relation to Section 5 of the BRT&G Agreement, the departments advise we have agreed to 'pause' the ongoing trial outlined in the Joint Statement Between Royal Mail Group and the CWU Covering the Deployment of Parcelforce Rural Parcels Volumes into Royal Mail.

The Trial activity will be jointly reviewed before any further expansions are agreed.

Any enquiries in relation to this LTB should be addressed to Davie Robertson, Assistant Secretary, email: sbanbury@cwu.org quoting reference 054.13 or Mark Baulch, Assistant Secretary, email address: Pharacz@cwu.org quoting reference 580.

Yours sincerely,

Davie Robertson
Assistant Secretary

Mark Baulch
Assistant Secretary

TERMS OF REFERENCE

Collections Proof of Concept Trial Transfer of Collections Work from PFW to Royal Mail in the Stoke Area

Introduction

Royal Mail Group and the Communication Workers Union are committed to working together in developing key business policies, mutual interest solutions and a new culture, which is at the core of all the commitments contained in our national agreements.

Both parties recognise the pressures of the increasingly competitive and rapidly evolving environment we operate in and are committed to the strategic objective of creating and developing an agenda for traffic, product and revenue retention to lay the foundations for future growth and providing employment security.

Parcelforce continue to face a financial challenge in spite of the joint activity undertaken as part of the strategic review. Collections is an area with the potential to further test the “once over the ground” principle as both PFW and RM cover the same geography and, in some cases, the same locations when collecting customer parcels. This Collections trial will further support the assessment of the potential for a single parcel network.

The overall aim of this proof-of-concept trial is to assess the capability of Royal Mail Distribution to handle Parcelforce collection items, using the Stoke area to test the processes involved to inform the feasibility of further deployments. This Terms of Reference will support the ongoing assessment for a future single optimised parcel network.

TERMS OF REFERENCE

PFW Collections Process

Drivers in PFW perform delivery and collection stops each day as part of their daily work schedule. Collections are split between: -

- Scheduled – attend at the time window agreed with the customer (e.g. daily between 3pm and 4pm)
- Ad-hoc – Customer books collection for pick up the following day (generally 9am to 5pm window)

The number of items collected varies by customer. Multi item or high-volume collections (cm3) are often covered by PFW Depot bulk drivers. This varies from site to site and is dependent on vehicle capacity at the due collection time.

Collections make up 8-9% of a drivers total daily stops (deliveries are therefore 90%+). Scheduled collections are generally performed in the ‘pm’ each day and can create ‘off route’ driving diversions from the delivery sequence creating a less efficient route performance.

Drivers in PFW must then return to the Local Depot (LD) on time to connect with posted network trailers due for despatch to the National Hub and Processing Centres.

RM Collections Process

RM have dedicated collection drivers often covering the same ground as PFW C&D drivers, and in the case of POL sites visiting the same locations.

The trial will test the ability to move all PFW collections to RM collection drivers and test the principle of once over the ground in a collection’s scenario situation.

PFW collected items will be returned to the RM Collection Hub these will then be collected by PFW drivers in the area to deliver the traffic to Stoke LD ensuring they enter the PFW outward network ready for dispatch.

Test Criteria:

- Ability of RM Collection Drivers to cover all PFW collections, including vehicle capacity, cubic volume/size of parcels.
- Test RM collection capacity, synergy and absorption potential.
- Productivity opportunity for PFW C&D drivers – creating delivery only routes by removing collections and 'must return' time to meet posted network trailers.
- QoS / connectivity to get PFW collected items into the PFW network via RM collection hubs to the LD. To consider all available options (e.g. via MCs, direct to PFW hub)
- RM Collections QoS
- Parcel visibility i.e. PDA scan events
- Customer feedback

The trial will take place in Stoke LD and will include the surrounding RM Collection Hubs over a 3-week period from 29th April 2024.

The Trial

Local managers will engage with the local CWU IR and H&S representatives throughout the trial including the scope of works from the initial stages, throughout the operation of the trial and provide views and feedback for the review stage.

Appropriate Union release time will be provided for the CWU representatives to ensure meaningful involvement. The trial will be further supported by the CWU Area Distribution Representative and Area H&S Representative and Parcelforce Regional Organiser.

Joint involvement will ensure the development of a mutual understanding of the issues under consideration and the potential impact on both individuals and the operation. It will also enable us to jointly identify any issues requiring clarification, solutions or further investigation.

We will continue to work together nationally to jointly establish and ensure the associated objectives and working arrangements to inform any future deployments.

Safe Systems of Work and Standard Operating Procedures

Health & Safety is of paramount importance to both Royal Mail and the CWU therefore, prior to any deployment it is agreed that existing RMG Safe System of Work, Standard Operating Procedures and all relevant safety compliance documentation for the operational tasks will be reviewed and agreed between RM and the CWU National Health Safety Environment Department.

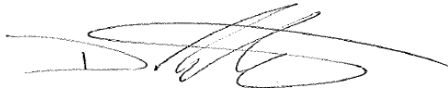
These systems and procedures will be reviewed and updated as necessary and be classified as fit for purpose once they have been jointly evaluated by the appropriate Royal Mail and CWU experts.

Review

Parcelforce, Royal Mail and the CWU will jointly evaluate the outputs from the trial, and the signatories of this terms of reference will jointly review and decide next steps within 2 weeks of the end of the pilot. Local Managers and CWU representatives involved in the activity will feed into this process.

Any issues in relation to the interpretation or application and deployment of the terms of reference will be raised with the signatories for resolution.

Signatories



Davie Robertson
Assistant Secretary
CWU



Mark Baulch
Assistant Secretary
CWU



Ricky McAulay
UK Operations Director
Royal Mail



Rob Fowler
MD and Operations Director
Parcelforce Worldwide

Date: xx April 2024