

No. 012/25

27<sup>th</sup> January 2025

## MPU Consolidation Programme - CWU Update

Dear Colleagues,

The CWU Nationally has recently been shared information relating to the business scoping MPUs as an associated impact of USO reform and CSS operations, which at the times was shared with CWU Divisional Representatives to pass on to the relevant reps locally.

Those discussions have continued and the business has confirmed, as part of the proposal and where there is the requirement, to relocate CSS machines from MPUs to the Parent Mail Centres, where space permits and both workplan compliance and USO Service levels can be maintained or improved.

The business' original plan was for 39 MPUs to consolidate into 24 plants. As part of the scoping exercise, it has been confirmed that based on the outputs so far 34 MPUs have been identified as meeting the criteria of space constraints and as such being able to be relocated. Further discussions will take place on the MPUs within the Manchester catchment area.

We know that in some locations the business has issued local communications already, which led to significant challenges being raised by the CWU to the company. That has now led to the attached formal correspondence from the business being received and confirms that, in relation to the people impact and all operational changes, engagement will take place via the relevant Mail Centre Working Group and in line with the 2021 National Agreement covering the Review of Letter Machines (copy attached).

Therefore, we ask all CWU Representatives in the affected MPUs to ensure that the Local Joint Working Group meets urgently and to ensure all functions are fully involved in the planning, integration and the deployment of all activities linked to any machine removals / changes, ensuring that agreed solutions are in place and all issues have been fully addressed. This will include the CWU Area Health & Safety Reps to ensure all issues relating to safety will be reviewed and addressed.

Finally, attached is the business WTLL brief that has been issued. Whilst it is helpful that there are no machine reductions, given the change of locations, it has been agreed that MTSF Appendix 5 will apply in full and, where appropriate, any VR terms are going to be the terms appropriate at the point of termination.

Therefore, we are confident, now that the business has agreed the above agreement is applicable and that MTSF applies in full, that CWU Representatives engaging within the process will welcome the above clarification to ensure that all matters from the MPU consolidation activity are done to protect our affected members.

Any enquiries to the content of this LTB should be directed to the Outdoor Department, email address:  
[Pharacz@cwu.org](mailto:Pharacz@cwu.org).

Yours sincerely,

**Tony Bouch**  
Assistant Secretary

**Davie Robertson**  
Assistant Secretary

# **NATIONAL AGREEMENT BETWEEN ROYAL MAIL AND THE CWU COVERING THE REVIEW OF LETTERS MACHINES**

## **Introduction**

Royal Mail Group and the CWU concluded a National Joint Statement in July 2020 designed to resolve the current dispute, address the immediate operational and financial challenges and develop a mutual interest strategy to build a successful future for the business and employees. Key to the rebuilding of trust we have agreed to undertake a joint review in relation to the utilisation of Letters Machines, including CSS, iLSM, IMP and CFC machines across the Mail Centre and MPU estates in line with the Guiding Principles Agreement Section 14 *Strategic Review of the Operational Pipeline*. A jointly agreed document will be produced from the review.

The intention of this activity is to review the letter machine capacity based on the continuing underlying decline in addressed letter volumes and the introduction of DtS, discounting the immediate extreme impact of COVID-19. Both parties recognise the importance of optimising the letter machine estate to improve the efficiency of our letter operation and ensure sufficient capacity remains to process and deliver all letter products in line with current service level and quality standards, ensuring reductions in automation do not set operational parameters which exacerbate letter decline.

## **Background**

Royal Mail and CWU acknowledge the ongoing decline in letter volumes, which has been accelerated by the Covid-19 crisis. Despite some machine mothballing/reductions it is believed the existing estate continues to exceed operational requirements. The introduction of Delivery to Specification (DtS) however will impact on the number & location of CSS machines required due to the letter deferral process.

Therefore, it is agreed joint activity will be completed to review machine capacity for processing letters to align to current volumes and forecast. This will cover all letter machines; CFC, IMPs, iLSMs and CSS. The review will cover Mail Centres and MPU's and will be undertaken on a Mail Centre Catchment Area (MCCA) basis.

The principles on which the planning is completed in regard to machine capacity will be shared Nationally and on this basis Royal Mail will produce a phased plan for each MCCA on proposed machine removals or replacements in priority order for analysis and endorsement of the approach. Each MCCA plan will then be locally reviewed and consulted on with any agreed changes signed off by all functions. In recognition of the evolving situation the plan will be reviewed Nationally on a 3 monthly basis.

## **Review Approach – Delivery to Specification Compact Sequence Sorters (CSS)**

The DtS approach requires additional CSS capacity to process the deferred mail volume which may involve relocation of CSS, bringing back into the operation machines which have been mothballed and reopening some previously closed MPU's.

It also requires some considerations within the processing environment (the DtS capacity modelling accounts for all of these factors).

- The product requires a window between the end of late shift processing and the start of the Sequencing workplan to calculate items for deferral/delivery each day.
- The algorithm will start processing at 22:00 so all processing needs to be completed by this time (aligns to failure point for processing DSA).
- The algorithm requires at least 90mins to run – target is to be complete by 23:30 to be ready for plans to be loaded to machines to achieve a midnight workplan start.
- No items can be sequenced or walksorted in MCs or MPUs until midnight (current workplan).
- Wave 1 - Midnight to 0600 (First batch starting midnight), Wave 2 - 0600 to 0830.
- Large machine sequencing will be transferred to the CSS operation (this represents only 5% of sequencing Nationally for Wave 2 walksort (all of Wave 2 will be walksorted only).
- Deferred traffic will require sequencing capacity, i.e. some mothballed machines and sites will re-open and staffed accordingly.
- Mailsort 2 and 3 to be processed on separate plans so their traffic stream can be identified and the correct deferral timelines applied.
- Weekends, no Mail Centre consolidations, MPUs to process their own work to maintain deferred mail integrity.
- Weekends, process up to 22:00 Saturday, Sequence on Sunday in a single wave.
- No superbatching and minimal wave 0 outside of Christmas pressure.
- Mailsort 2 and 3 for processing are currently combined and will need to be processed separately on specific plans.
- DSA Premium, Mailsort 1 and 2 will need held and be walksorted on Wave 2 only (i.e. not sequenced on Wave 1).

## **Review Approach – Compact Sequence Sorters (CSS)**

When the CSS machines were initially introduced, the proportion of letters sequenced on Wave 1 was 60%. Over time, this has risen to 85% and there are ongoing activities to increase this level further, as maximising Wave 1 sequencing supports good presentation of mail into Deliveries.

However, the impact of maximising Wave 1 performance results in a reduction for the volume of traffic in Wave 2, which means it is not considered cost effective in most cases to run through the full three-pass sequencing process for Wave 2. With the implementation of DtS all Wave 2 traffic will be walksorted.

Reviewing CSS utilisation directly aligns to the continued strategy of “maximising the value of letters”. It also supports the future Delivery Strategy by maintaining the ability to maximise Wave 1 sequencing beyond 85% as part of any future National agreed changes relating to “New Delivery Methods” and this could also release operational capacity in MPUs to accommodate parcels growth if as a consequence of the joint review there are machines removed.

The approach to the review activity in relation to the current CSS machine estate will be on the following basis. The guiding principle will be to consider the number of machines required to meet the service requirements, rather than altering the plan to avail the removal of machines:

1. In each MCCA, the walk-sequencing operation will be jointly reviewed, in line with National agreements. This review will determine the required number and location of CSS machines across the Mail Centre and MPU estate and assess any impacts on the associated operations from changes to the current arrangements. This will include ensuring sufficient maintenance slots are available.

2. Existing batch plans can also be reviewed providing no Delivery Office or MPU reduces the overall existing percentages of walk-sequencing levels from their current volumes.
3. To ensure quality of service can be maintained at all times, initially a key principle of the review will be to ensure the minimum number of CSS machines is set at 2 to mitigate the risk of "single point failure. This aspect will be subject to joint National review on an ongoing basis based on machine reliability.
4. Where CSS machines have already been mothballed and current letter traffic is not anticipated to recover, it is agreed consultation will immediately commence on the potential removal from the relevant unit to free up operational space. These will be detailed as priority activities within the plan for each MCCA. Local consultation will progress in line with steps detailed in the associated machine removals framework at Annexe A.
5. As most areas are achieving c.85% Wave 1 sequencing, it is recognised the value of Wave 2 sequencing is diminishing due to declining letter volumes. Therefore with the implementation of DtS Wave 2 traffic will be walksorted utilising this opportunity to maximise Wave 1 sequencing.
6. Where there is any change to current walk sorting on Wave 2, the additional workload for the receiving Delivery Offices will be recognised as a consequence of this impact.
7. Any changes should be reviewed, planned and introduced in order to minimise any impact to arrival profiles into Delivery Offices ensuring current existing agreed duty attendance patterns and start times are maintained, fully in line with the BT2010 National agreement.
8. In line with the above para, any changes should also consider the impact on existing Area Distribution services and/or any new service level agreements to ensure mail flows of non-sequenced mails into the Delivery operation are not subsequently reduced, where this would impact existing start times in Delivery.
9. Initial modelling for CSS considered a range of options including the batch sorting of Wave 2 at the Mail Centre and single wave sequencing. At this time both of these options have been considered unviable as standard operational solutions on a National scale.
10. The review will fully ensure the impact on Engineering activities including the ability to maintain and service the remaining automation to agreed service levels will be in line with existing resourcing agreements. Any additional requirements from the growth in parcels and investment in additional parcel sortation machines will be picked up as part of the parcel automation project.

### **Review Approach – CFCs, IMPs and iLSMs**

Both parties recognise the decline in volume of traffic is also impacting on the requirement for the number of CFC, iLSM and IMPs within the plants, therefore the review will need to include both posted and delivered letter volumes.

The principles defined within the CSS process will flow through to consideration of Large Machine removals:

- In each Mail Centre, the letters operation will be jointly reviewed. This will determine the required number and type of letters machines required and assess any impacts on the associated operations from changes to the current arrangements.
- In Mail Centres it is recognised the National plan may include machine replacement or upgrade in addition to proposals to remove machines (i.e. IMP replaced by iLSM).
- Any changes should also consider the impact on existing Distribution services and/or any new service level agreements to ensure mail meets the agreed National Workplan.
- Where letters machines have already been mothballed and it is proven the capacity can be dealt with by other machines, including daily maintenance time and current letter traffic is not anticipated to recover, it is agreed discussions will immediately commence on the potential removal from the relevant unit to free up operational space. These will be detailed as priority activities within the plan for each MCCA. Local discussions will progress in line with steps detailed in the associated machine removals framework and the associated impacts agreed in each function.
- The review will fully ensure the impact on Engineering activities including the ability to maintain and service the remaining automation to agreed service levels within any revised utilisation plan.

### **Joint Involvement/Information Share**

A National Automation Joint Working Group will be established with National Leads for Royal Mail and the CWU across the Processing, Engineering and Delivery functions to ensure the information populating the National Plan and review activity will be shared on a frequent basis. This Group will meet on a 3 monthly basis to review the plan and monitor progress on deployment in line with the spirit and intent of the Joint Statement.

In addition, Local Joint Working Groups (LJWG) will be established for each MCCA to ensure cross functional working is adopted in relation to any proposals and associated operational or people impacts. The LJWG will be overseen by the relevant Service Delivery Leader, Territorial Head of Engineering, Territorial Engineering Representative and nominated CWU Divisional Representative with the core attendees being:

#### **CWU**

Area Delivery Representative  
Area Processing Representative  
Area Distribution Representative  
Engineering Representative

#### **Royal Mail**

Operations Manager  
Mail Centre Manager  
Area Distribution Manager  
Plant Engineering Manager  
\* or nominated representative

The LJWG can also be extended by agreement to include the relevant RM Managers and CWU Representatives across affected units within the MCCA as required.

The role of the Local Joint Working Group will be to ensure all functions are fully involved in the planning, integration and the deployment of all activities linked to any machine removals/changes ensuring that agreed solutions are in place and all issues have been fully addressed. It is also responsible for ensuring that deployment of changes within their remit are not subject to undue delay. Both parties agree it is essential all information is shared and all relevant functions (managers and CWU representatives) are involved from day one and working together in a joined up and coordinated way.

In addition, the cross functional working groups will also ensure consideration is given to other programmes/initiatives which may be impacted by any proposals for change in the Letters Machine estate.

### **Progression of Review Activity**

A Joint presentation will be given to SDL's, Territorial Heads of Engineering, Territorial Engineering Representative's and Divisional Reps, to enable a full understanding of this initiative and any potential operational and people impacts. The agenda will include the presentation of the initial prioritised plan for each MCCA.

The review activity will be undertaken with full engagement of the LJWG and on the basis of joint timely access to all relevant information. Appropriate Union release time will be provided for CWU representatives to ensure meaningful involvement.

It is agreed there should be immediate local joint working to review the reduction in the number of machines within the operation and collectively work at pace to prioritise and agree people solutions resulting from the change.

Joint involvement will enable the development of a mutual understanding of the issues under consideration and the potential impact on individuals and the operation and these aspects are highlighted and jointly resolved in line with the IR Framework. It will also enable the identification of any issues requiring clarification or further investigation.

The LJWG will discuss all aspects of planning and deployment of changes, in line with all relevant National agreements including MTSF, whilst also allowing for all local individual's circumstances and factors to be taken into account as a consequence of machine/workload moves.

Following deployment, ongoing local arrangements will be monitored and discussed at the normal weekly involvement/resourcing meetings, in order to ensure all aspects of the changes including any impacts on individuals have been jointly resolved.

### **Engineering**

Due to the potential reduction in the Letters Machine estate, it is recognised there may be an impact in relation to the associated Engineering time. Any impact in the Engineering workplan will be reviewed locally. CWU Engineering Representatives will be kept fully engaged during the process of change activity, to ensure any changes to maintenance or schedules are understood and achievable.

### **Safe Systems of Work and Standard Operating Procedures**

It is reaffirmed Health & Safety is of paramount importance to both Royal Mail and the CWU. Therefore, it is agreed Safe Systems of Working, Standard Operating Procedures and all prevailing safety procedures will be followed in the deployment of this initiative.

Should any concerns in relation to Health & Safety issues be identified as a result of this activity then they will remain proper to discussion and resolution between the appropriate Royal Mail and CWU experts.

## Future Activity

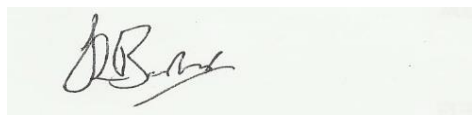
In addition to the National Automation Joint Working Group, strategic reviews of Letters Machine utilisation, as a result of future letters volume decline, including walk-sequencing methodology, will be an ongoing agenda item in the established National Strategic Involvement meetings for the affected functions. This will include but not be limited to, consideration of the actions necessary to address letter volume decline and/or support future Delivery Strategy, while considering all functional impacts across the operational pipeline.

Based on the outputs of National Strategic discussions regular joint updates will be provided to Divisional Representatives, Territorial Engineering Representatives, Heads of Engineering and SDL's on a MCCA basis. Any further proposals in relation to operational changes as a result of the reduction of letters machines will remain proper to the Industrial Relations Framework and will be progressed in line with the LJWG format outlined above.

## Review Arrangements

Following deployment, resourcing arrangements in the affected units will be reviewed at weekly intervals. Plant Managers, MPU/Delivery Office Managers, Engineering Managers and respective local CWU Representatives will discuss any ongoing impact on office workload and resourcing at their weekly alignment meetings in line with National agreements.

Any questions of interpretation, implementation or application shall be referred to the respective Headquarters for resolution.



**Simon Barker**  
National Network & Integration Director  
Royal Mail



**Rob Jenson**  
National Delivery Director  
Royal Mail



**James Baker**  
Chief Engineer and Fleet Director  
Royal Mail



**Davie Robertson**  
Assistant Secretary  
CWU



**Mark Baulch**  
Assistant Secretary  
CWU



**Carl Maden**  
Assistant Secretary (Acting)  
CWU

Date: 4<sup>th</sup> June 2021





## Process for the Movement of Automation Assets

### Purpose

This document outlines the process to manage the movement of automation assets supporting Royal Mails operations strategy. Asset moves can be defined as below;

- The relocation of an automation asset within a single site or area.
- The removal and transport of an automation asset to storage or relocation.
- The removal and safe sustainable disposal of an asset.
- New site installation of previously deployed assets

### Objectives

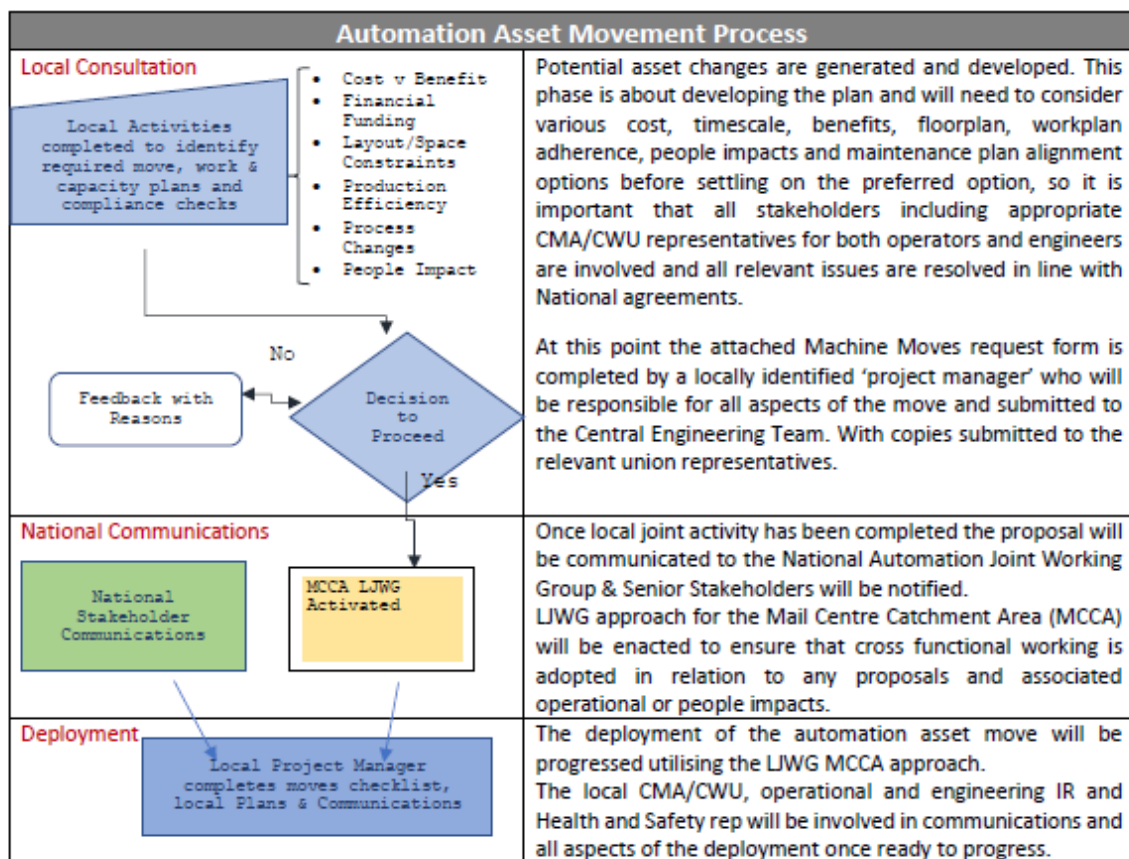
The primary objectives are to;

- Ensure asset moves are implemented in a safe and controlled manner.
- Meet timescales and strategic operational plans.
- Minimise operational disruption.

### Process

All automation asset moves will follow a three-step process;

- Local Joint Activity - Plant Leadership Team including CMA/CWU representatives.
- National Communications – National Processing Group & Senior Stakeholder Notification.
- Deployment – Managed by the National engineering lead, moved by PFS team with contractor support.



|               |                           |
|---------------|---------------------------|
| <b>FORM 1</b> | <b>Asset Move Request</b> |
|---------------|---------------------------|

PLEASE INDICATE THE NATURE OF YOUR REQUEST FROM THESE OPTIONS

| Internal Move | Relocation/Transfer | Disposal |
|---------------|---------------------|----------|
|               |                     |          |

Please note: Due to supplier lead times it is advisable that the request is submitted as early as possible.

PROPOSED MOVE DETAILS:

|   |  |
|---|--|
| Machine Type and identifier   |  |
| RME Business asset serial numbers:  |  |
| Brief description of task:  |  |
| Full location address:  |  |
| Site contact details (name, email & phone number)                               |  |
| Earliest date machine is available to move/remove.                              |  |
| Required by / ready for service date. (As applicable)                           |  |
| Receiving site - confirm 2 weeks machine access for training prior to RFS date. |  |
| Date machine mothballed or de-commissioned. (As applicable)                     |  |
| Embed Layout drawing – <b>CURRENT &amp; PROPOSED</b>                            |  |
| Reason for move   |  |
| Budget Code   |  |
| Budget Holder   |  |
| Project Accountant if applicable  |  |

Please provide the following supporting documentation / detail as appropriate:

|  |  |
|--|--|
| Confirmation of CMA/CWU Consultation to include Operational, Engineering and Health and Safety (or planned date of consultation) | YES / NO (Delete as appropriate)<br>Or [Planned Date:]                     |
| Names & Signatures of Local CMA representatives consulted:   | Processing:<br><br>Delivery:<br><br>Engineering:<br><br>Health and Safety: |
| Names of Signatures Local CWU representatives consulted:   | Processing:<br><br>Delivery:<br><br>Engineering:<br><br>Health and Safety: |
| Confirmation Disruption Plan has been considered and will be completed in advance of machine move (As appropriate)               |  |
| Please attach confirmation of approved Business Case   |  |
| Confirmation Safety Assessment Concurrence (SAC1) completed and signed off at unit level   |  |

I confirm that the proposed machine move described above has been agreed with the Plant Leadership Team.

|        |  |           |  |
|--------|--|-----------|--|
| Name:  |  | Position: |  |
| Email: |  | Tel:      |  |

Please send the completed form to: National Engineering Machine Moves Manager  
[machine\\_moves@royalmail.com](mailto:machine_moves@royalmail.com)  
 and copy in the relevant union representatives

**Title:** CSS Operation Review

**Date:** XXXX

**Audience:** CSS Operators only

## Summary

As letter volumes continue to decline, we now must ensure our CSS machines are running in the most efficient way. To remain operationally efficient, we be moving the CSS from some MPU's. This means that some CSS machines will be moved to local Mail Centres.

## Discussion

As letter volumes continue to decline, in line with the joint agreement we have assessed the CSS operation. To remain operationally efficient, we will move the CSS machine from your unit, to the local Mail Centre (COM to explain the specific operational changes in this unit).

## What action do we need to take?

I have begun consultation with the local CWU Representative, and these discussions will continue. At the same time I will hold individual 121 conversations with all the people who work in the CSS operation to explain to you what is happening and listen to any concerns you may have. As part of these conversations I will be exploring your personal circumstances, discussing the options available to you and signposting you to further support. I will be having those conversations this coming week. You will be entitled to be accompanied to these discussions by a trade union representative or a colleague.

## Next steps

I will hold individual 1:1's with all CSS operators to explain what is happening and the possible impact on you. As part of the 1:1 I will discuss each person's preferences and personal circumstances. I will then be able to have further discussions with people working in the CSS operation to progress forwards with the plan.

I will be able to answer and deal with all of your questions when we have the 121 conversations later this week.



Tony Bouch  
Communication Workers Union  
CWU Headquarters  
150 The Broadway  
Wimbledon  
SW19 1RX

24th January 2025

Dear Tony,

I write to confirm the outputs of our ongoing discussions regarding the MPU consolidation programme.

Both Royal Mail & CWU have been discussing the associated impacts of USO reform and CSS operations, which has meant that there is the requirement to relocate CSS machines from MPU's to the Parent Mail Centre's where space permits and both workplan compliance and USO Service levels can be maintained or improved.

The plans include deploying the same machine numbers and in addition some existing machines may be un-mothballed pending the outcome of the USO capacity modelling.

The business confirms that the original plan is for 39 MPUs to consolidate into 24 plants. As part of the scoping exercise, it has been confirmed that based on the outputs so far 34 MPUs have been identified as meeting the criteria of space constraints and as such being able to be relocated. Further discussions will take place on the Manchester catchment area.

I can confirm that all relevant locations will receive supporting WTLL briefs to ensure they are aware of the change, so they are briefed as early as possible on the changes including of course that there is no machine reduction.

In addition, both parties will ensure all issues relating to safety will be reviewed between the ASRs and SHE BPs

In relation to the people impact, both parties have agreed that the next steps will be for engagement to take place via the relevant Mail Centre Working Group in line with the 2021 National Agreement covering the Review of Letter Machines and that MTSF Appendix 5 will apply, where appropriate any VR terms will be the terms appropriate at the point of termination.

*S England*

Shaun England

Operations Programme Director