No. 251/26

21st September 2026

Dear Colleague,

INCENTIVE SCHEME UPDATE FOR DELIVERY UNITS

Further to LTB 176/26 regarding the Delivery Unit Incentive Scheme, this LTB provides an update on the scheme's progress and performance.

As members will be aware, the CWU and Royal Mail jointly launched the Site Incentive Scheme alongside the deployment of Delivery Model 26 (DM26). During the first qualifying period, only 37 units went live and most deployed midway through the period, meaning no unit completed the full 13-week cycle. As a result, it was difficult to draw meaningful conclusions about the effectiveness of the scheme.

As we approach the end of Quarter 2 and the next payment period, 586 delivery units are now operating with DM26 and participating in the Site Incentive Scheme. Royal Mail continues to share performance data with the Joint Working Group (JWG), and there are encouraging early indications.

At the time of writing:

- 210 units are on track to receive a payment.
- 12,227 Full-Time Equivalents (FTEs) are currently eligible.
- Average earnings stand at £28 per FTE after two of the three qualifying periods.
- 302 units have now completed a full qualifying period.
- A total of £343,800 has been earned across the scheme to date.

While we would clearly like to see higher levels of achievement across the network, these are additional earnings that would not have been available to members without the introduction of the scheme.

There are also positive signs that performance improves as units become more familiar with DM26.

Within the 302 units that have completed a full qualifying period, average earnings increase to £55 per FTE. Looking specifically at the first 60 units to deploy, the average payment rises further to £102 per FTE after two-thirds of the payment period.

However, there remains room for improvement. Currently, around 42% of FTEs and 210 of the 586 live units are on course to receive a payment in the current period.

Monitoring and Review

The JWG continues to meet regularly with Royal Mail to review scheme performance and address concerns raised from the field. One recurring issue has been the construction of unit budgets and the methodology used to determine performance targets.

The JWG is working through this detail with Royal Mail to ensure that the scheme remains transparent, fair and achievable. We will continue to rigorously monitor, challenge and scrutinise the operation of the scheme going forward.

Importantly, Section 2.5 of the agreed Terms of Reference (TOR) states:

"Both parties agree that the intent should be for all sites to have an ability to achieve an incentive scheme payment."

The CWU will hold Royal Mail to this commitment and continue to work to ensure that all units have a genuine opportunity to benefit from the scheme.

Training and Support

A joint training programme has been agreed and is being rolled out every two weeks as units move onto DM26 and the Incentive Scheme.

Local CWU representatives and Royal Mail managers have been participating in these sessions to support understanding and provide consistent information to employees. In addition, the JWG has developed a dedicated training package for Area Representatives to assist with queries and issues arising from the scheme.

Supporting Materials

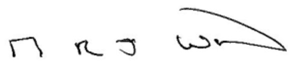
The following jointly produced guidance documents are attached to this LTB and should be circulated to representatives:

- Site Incentive Unit Training Pack.
- Site Incentive WTLL Briefing.
- Site Incentive FAQ.
- Site Incentive Manager and Local CWU Representative Guide.
- Site Incentive Frontline Leaflet.

These materials have been developed to explain the scheme clearly and help members understand how payments are earned and calculated.

Any enquiries relating to this LTB should be directed to the Deputy General Secretary (Postal) Department at hford@cwu.org.

Yours sincerely,



Martin Walsh
Deputy General Secretary (Postal)

18/06/2026

Site Incentive Scheme

Royal Mail & CWU
Joint Kick-Off Session

Shape the Future, Share the Reward

Overview

Aligning with USO deployments, Royal Mail and the CWU have agreed to introduce a new Delivery **Site Incentive Scheme.** The scheme is designed to incentivise employees, improve quality, boost efficiency and help to ensure that letters and parcels are delivered safely and on time.

Success depends on collective local discretionary effort, so the **incentive is based on site-wide performance as well as resourcing to workload** principles.

If your site beats its monthly budget targets, based on an 'adjusted cost per item' measure, which includes reducing customer complaints and road traffic accidents (and improves on the reporting of road traffic incidents and accidents), a quarterly bonus payment can be achieved, subject to specific quality targets being achieved against Delivery point coverage, and T24/T48 quality.

NOTE: The scheme will be applied retrospectively to units which deployed USO reform early.

Shape the Future, Share the Reward

Aims & Objectives

Shape the Future, Share the Reward

Agenda

- Why have we set up the Site Incentive Scheme?
- What is the Site Incentive Scheme and how does it work?
- Resources available to you
- Questions

Why have we set up the Site Incentive Scheme?

Shape the Future, Share the Reward

Why have we set up the Site Incentive Scheme?

The Site Incentive Scheme gives frontline colleagues the opportunity to share in the benefits when the site performs well.

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What is the Site Incentive Scheme?

How does it work?

What does it mean for you & colleagues in your unit?

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What is the Site Incentive Scheme?

The Site Incentive Scheme is a quarterly site-based incentive scheme for eligible frontline Delivery employees.

It is designed to encourage and reward safe, efficient and high-quality performance at Delivery sites following each site's USO reform go-live date.

The scheme rewards site-wide performance rather than individual performance, recognising that success depends on working together to deliver for customers.

The scheme does not change the principle that we must resource to workload, work safely, deliver the USO and follow all principles as agreed in the DM26 agreement.

Managers and CWU reps must meet and discuss resourcing of the office through the mandatory Weekly Resourcing Meeting to agree the resources being used and quality as this will have an impact upon the scheme outcomes.

How the Site Incentive Scheme works

01

The Site Incentive Scheme is self-funded, and your budget is the gateway enabler.

02

If we deliver our workload safely and effectively while avoiding unnecessary cost, we improve our opportunity to earn a bonus.

03

The bonus pot is generated by staying within the limits of your budget and reducing your adjusted cost per item.

04

Your site's bonus will depend on how well it performs on **both cost and service targets.**

50% of all savings vs targets are available for the Site Incentive scheme. That means if your Delivery Office saves £2 against its targets, a maximum of £1 will go to the frontline.

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How the Site Incentive Scheme works

What are the Quality-of-Service targets and how will they be measured?

Measure	What it means	Post-USO Standard
Tracked 24 Delivery Loss	The % of in-scope Tracked 24 items that are not delivered within their expected delivery window. Only items that arrive on time at your delivery office are included	No more than 1% Delivery Loss
Tracked 48 Delivery Loss	The % of in-scope Tracked 48 items that are not delivered within their expected delivery window. Only items that arrived on time at your delivery office are included	No more than 1% Delivery Loss
Delivery Point Coverage	The % of delivery points successfully served each day. This shows how much of the delivery office's area was completed for 1C and 2C letters	99.5%

Refer to USO training, comms and SOPs for full clarity on processes.

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How the Site Incentive Scheme works: 1+2=3

1 Optimising costs – Adjusted Cost Per Item

Site Costs

What you can influence:
- Customer compensation
- Vehicle accidents
- Labour costs

Adjusted Items

The number of Letters and Parcels adjusted for the fact that some items, like parcels, take more effort (Workload)

Adjusted Cost Per Item

+

2 Delivering for our customers – Quality of Service targets

Quality of Service targets are used to ensure we are delivering on time for our customers. The incentive uses three metrics to measure Quality of Service. A percentage of the bonus is unlocked with each metric.

Tracked 24 Delivery Loss

Tracked 48 Delivery Loss

Tracked 24 and Tracked 48 Delivery Loss measures whether Tracked products that reach your site on time are delivered on time.

Delivery Point Coverage

Delivery Point Coverage records what percentage of addresses are covered each day.

=

3 Share the Reward – Possible Bonus Payments

	Amount your site beats its Adjusted Cost Per Item by	No QofS metrics met; 30%	1 QofS metrics met; 50%	2 QofS metrics met; 70%	3 QofS metrics met; 100%
Possible bonus amount per quarter:	1%	£13	£21	£30	£43
	3%	£39	£64	£90	£129
	5%	£64	£107	£150	£214
	7%	£90	£150	£210	£300

Staying within budget & achieving quality targets determines how much of the bonus pool your site will unlock

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How the Site Incentive Scheme works

The Adjusted Cost Per Item (ACPI)

ACPI is designed to provide a fair measure of performance by taking account of both a unit's costs and the workload it receives.

A simple spend comparison can be misleading because workload changes throughout the year. For example, a unit may receive more parcels, fewer letters, or experience overall traffic growth, all of which affect the resources required to process and deliver mail.

To address this, ACPI compares spend against the unit's own workload and mail mix.

How ACPI is calculated

- A unit's workload is based on the traffic it receives.
- Different traffic streams (letters, parcels, D2D, Special Delivery etc.) have different handling costs.
- These traffic streams are weighted to reflect the work required to process and deliver them.
- The actual traffic profile is then compared against the unit's costs to produce the ACPI figure.

Why ACPI is used

- Reflects the unit's own traffic profile, not national averages.
- Adjusts for changes in workload and mail mix.
- Provides a fairer measure of performance than spend alone.
- Ensures bonus opportunities are linked to genuine efficiency improvements rather than traffic movements outside a unit's control.

At quarter end

The unit's actual spend, including customer complaint costs and vehicle accident costs, is measured against the traffic received during the quarter to calculate the Actual ACPI.

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How the Site Incentive Scheme works

Bonus outcome detailed example: £0.211p Adjusted Cost Per Item (ACPI) Target

1. Budget

People Costs

Budget £925,272

Actual £897,739

On Track? ✓

+

Compensation

Budget £6,812

Actual £6,165

On Track? ✓

+

RTCs

Budget £7,217

Actual £5,000

On Track? ✓

÷

Total Workload

Budget 6,367,036

Actual 6,660,947

Workload Greater Than Budget

=

£ Adjusted Cost Per item Gateway (P1-2 cumulative)

Budget £0.148 ACPI

Actual £0.136 ACPI

On Track? ✓

Weekly: £8,196

Weeks: 9/9

Total **£73,767**

The cost to resource your delivery unit

Customer Complaints

Customer Compensation attributable to your unit

Average cost of repairs

Financial impact of not reporting within 1 hour of incidents

The cost of delivering letters and parcels in your Delivery unit

Bonus Gateway Achieved

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How the Site Incentive Scheme works

Bonus outcome detailed example: £0.211p Adjusted Cost Per Item (ACPI) Target

2. Quality

Bonus Gateway Achieved

T24 Loss	T48 Loss	DP Coverage
Target 1.91%	Target 1.30%	Target 94.01%
Actual 1.88%	Actual 1.21%	Actual 89.88%
On Track? ✓	On Track? ✓	On Track? ✗
The % of T24 that are attributable to your unit and not delivered within their expected delivery window.	The % of T48 that are attributable to your unit and not delivered within their expected delivery window.	The % of delivery points successfully served each day.

Quality Gateways (Wk 18-22 cumulative)

On Track 2/3

QofS Modifer 70%

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How the Site Incentive Scheme works

Bonus outcome detailed example: £0.211p Adjusted Cost Per Item (ACPI) Target

3. Possible Bonus Payment

£ ACPI Cash Impact		Scheme		Staff Share		Quality Gateways		Total Unit Pot		FTEs		Potential Incentive Payment
ACPI vs Budget Underspend £73,767	✖	Staff Share: 50%	=	Max Unit Pot: £36,883	✖	QofS Modifier: 70%	=	Total Unit Pot: £25,818	÷	Estimated People (Unit Total): 135 FTEs	=	On Track? ✔ Potential Payment per FTE: £191
Cost Per Item Budget Variance x Actual Workload ÷ Weeks In Scope		50% of the gains go to frontline colleagues		Maximum Site Incentive Pot available for the Delivery Unit		70% for achieving 2/3 quality metrics		Site Incentive Pot for the full Delivery Unit		Calculation of Full Time Equivalent frontline colleagues at the Delivery Unit		

- Results shown are estimates only.
- Final bonus will be confirmed after the quarter closes.
- Performance may improve or decline before final results are calculated.
- Final payment is subject to FTE confirmation and governance checks.

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How the Site Incentive Scheme works

Bonus outcome detailed example: £0.211p ACPI Target

People Costs
Budget £925,272
Actual £897,739
On Track? ✓

+

Compensation
Budget £6,812
Actual £6,165
On Track? ✓

+

RTCs
Budget £7,217
Actual £5,000
On Track? ✓

÷

Total Workload
Budget 6,367,036
Actual 6,660,947
Workload Above Budget

=

£ Adjusted Cost Per item Gateway (P1-2 cumulative)
Budget £0.211 ACPI
Actual £0.201 ACPI
On Track? ✓

→

Weekly £8,196
Weeks 9/9
Total £73,767

Bonus Gateway Achieved

T24 Loss
Target 1.91%
Actual 1.88%
On Track? ✓

T48 Loss
Target 1.30%
Actual 1.21%
On Track? ✓

+

DP Coverage
Target 94.01%
Actual 89.88%
On Track? ✗

=

Quality Gateways (Wk1-9 cumulative)
On Track 2/3
QofS Modifier 70%

£ ACPI Budget
ACPI vs Budget Underspend
£73,767

×

Scheme
Staff Share
50%

=

Unit Bonus Pot
Maximum Pot:
£36,883

×

Quality Gateways
QofS Modifer:
70%

=

Total Unit Pot
Total Unit Pot:
£25,818

÷

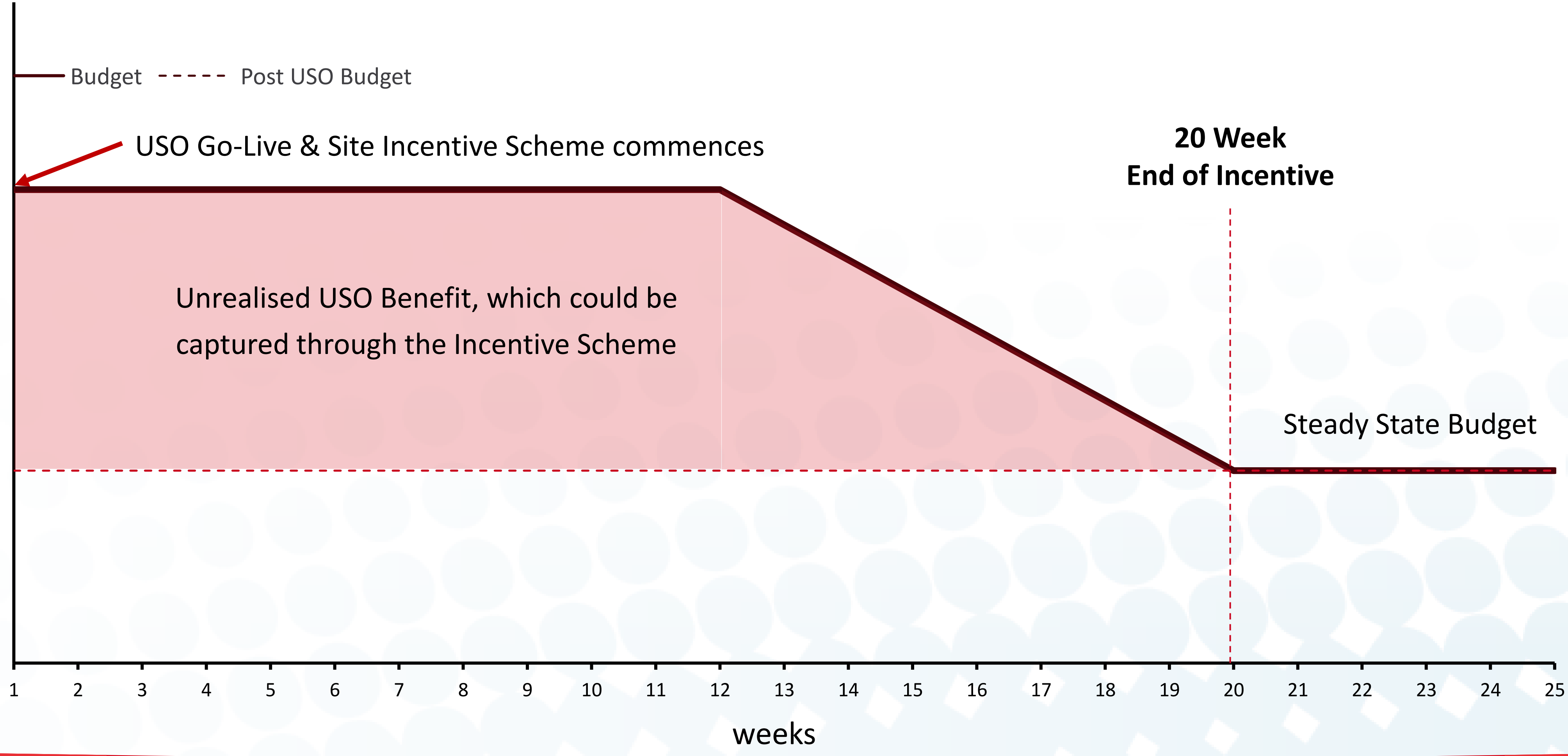
FTEs
Estimated People (Unit Total):
135 FTEs

=

Potential Incentive Payment
On Track? ✓
Potential Payment per FTE
£191

How the Site Incentive Scheme works

USO Budgeting Structure and Incentive Scheme Opportunity



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How the Site Incentive Scheme works

Key benefits

Employee engagement

Successful implementation may improve engagement and morale, which will be critical to the success of USO.

Accelerate incentivisation of our people

20-week ramp-up of USO benefits means sites have an immediate opportunity to reward the frontline without compromising USO benefits.

Working together on USO

Meaningful incentive may support employee buy-in to USO which Pilots have shown is critical to a successful roll-out.

Site Incentive Scheme to be deployed in Delivery units alongside USO reform to support adoption.
The scheme will remain in place but will be jointly reviewed going forward following USO deployment to ensure it continues to deliver benefits .

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How the Site Incentive Scheme works

Overview of eligibility criteria

Eligible frontline Royal Mail Delivery colleagues aligned to an eligible Delivery unit may receive an incentive payment on a pro-rata basis, subject to the terms of the scheme.

Eligibility is based on employees being:

- Frontline colleagues
- Aligned to an eligible Delivery unit on the last day of the quarterly performance period.

Pro-Rating by Contracted Hours	
Contracted Hours	**FTE Treatment**
37 hours	1.00 FTE
30 hours	0.81 FTE
20 hours	0.54 FTE
40 hours	1.00 FTE

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How often will bonuses be paid out?

The cycle is:

Performance Period	Payment Month*
April, May, June	**July**
July, August, September	**October**
October, November, December	**January**
January, February, March	**April**

*Where required due to payroll cut-off dates or data validation timelines, payment timing may shift into the following month.

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How the Site Incentive Scheme works

Managers and CWU Reps are required to plan together, communicate clearly, and support the scheme to deliver against cost and service targets in line with the DM26 agreement. The incentive scheme is based upon factors within the control of the office.

Share the Message

Delivery the Site Incentive Scheme WTLL. Share the Leaflet.

Understand Your Targets

Work with the Reward Team to make sure you're clear on your site's ACPI and service targets each week, understand how decisions that are made can affect the incentive scheme.

Align Weekly Plans

Use the Weekly Resourcing Meeting to plan staffing and operations in line with hitting your site's ACPI target.

Support & Listen

Give regular updates to colleagues (shared via Incentive File), listen and respond to feedback, and help teams stay on track to meet their targets.

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How the Site Incentive Scheme works

Clear expectations , achievable workload and good planning will help frontline colleagues work safely, efficiently and together; driving performance without adding pressure

We need our people to:

- Work safely
- Work effectively
- Work efficiently
- Work together

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How Payslips will look

Any bonus payment will be paid as an extra amount on top of your regular pay. It will be visible as a separate line on your payslip titled **Incentive Payment**.

Payments will be subject to normal deductions, such as tax and National Insurance.

Pay Number	NI Number/Table	Tax Reference	Tax Code	Office
Tax Period	Payment Date	Pay Method BACS Transfer	Pay Rate	Pensions Contrib. Pay

Payments	Hours	Amount	Deductions	Amount
Incentive Payment		£191		
Gross Pay			Total Deductions	

Messages			Net Pay	
			Adjustments to Net Pay	
Year To Date				
Assessable Pay	Tax Paid	Council Tax 0.00	Net Payment	

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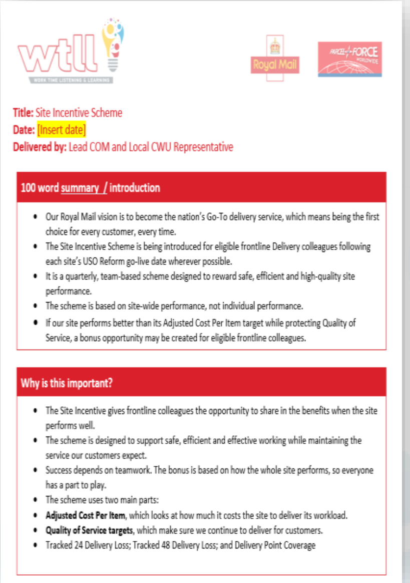
Resources available to you

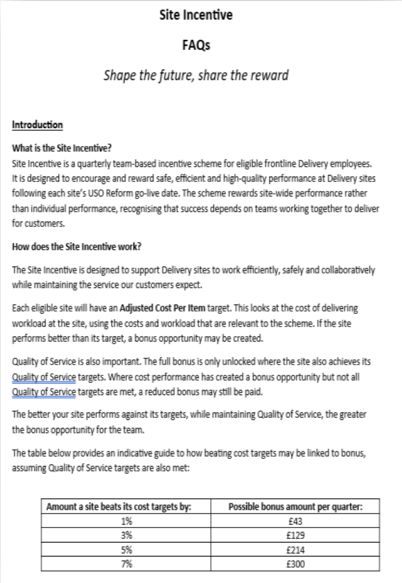
Shape the Future, Share the Reward

Resources available to you

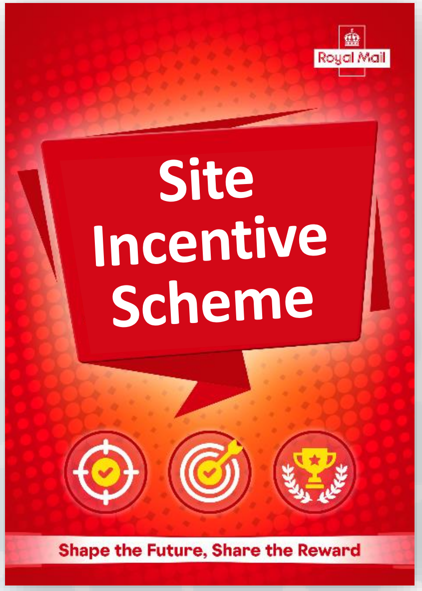
Materials:



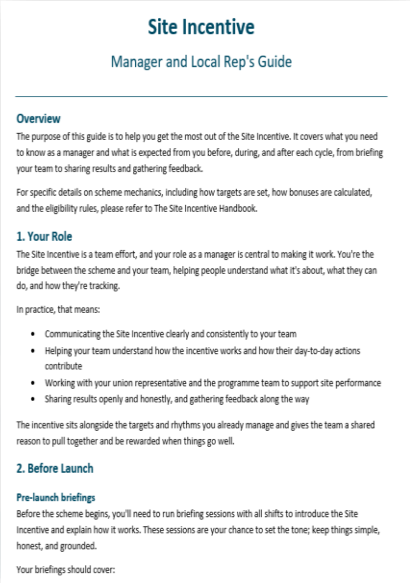
WTLL



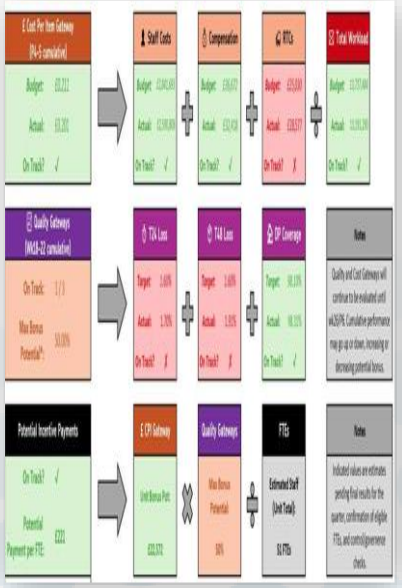
FAQs



Leaflet



Manager & Local CWU Rep Guide



Incentive Programme Excel File

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Recap

- The Site Incentive Scheme is a self-funded incentive to boost efficiency, productivity and help to ensure that letters and parcels are delivered safely and on time in line with the DM26 agreement.
- The bonus pot is generated by staying within the limits of your workload budget and reducing your **cost per item.**
- Your site's bonus will depend on how well it performs on **cost, QofS targets and RTCs including reporting within an hour when they do occur.**
- The KPI metrics are:
    - ACPI
    - T24 Quality of Service
    - T48 Quality of Service
    - Delivery Point Coverage
- The bonus pool consists of 50% of gains made beyond target.
- Where bonus payments are triggered, they will be paid quarterly to eligible people and will show as **"Incentive Payment"** in their payslips.

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Site Incentive Scheme

By working together, we can deliver for our customers and Shape the Future, Share the Reward.

Questions?

Shape the Future, Share the Reward

Thank you

Shape the Future, Share the Reward

Title: Delivery Site Incentive Scheme
Date:
Delivered by: Lead COM and Local CWU Representative

100 word summary / introduction

- Royal Mail and the CWU share a joint ambition to deliver a high-performing, safe and reliable delivery service for customers, built on strong teamwork at every site.
- The Site Incentive Scheme is being introduced for eligible frontline Delivery colleagues following each site's go-live date for Universal Service reform deployment, wherever possible.
- It is a quarterly, team-based scheme designed to recognise and reward safe, efficient and high-quality site performance.
- The scheme is based on site-wide performance, not individual performance, reflecting the importance of joint effort in delivering outcomes.
- Where sites improve their Adjusted Cost Per Item while maintaining Quality of Service, a bonus opportunity may be created for eligible frontline colleagues, shared in line with scheme rules.

Why is this important?

- The Site Incentive gives frontline colleagues the opportunity to share in the benefits when the site performs well.
- The scheme is designed to support safe, efficient and effective working while maintaining the service our customers expect.
- Success depends on teamwork. The bonus is based on how the whole site performs, so everyone has a part to play.
- The scheme is based on:
    - **Adjusted Cost Per Item**, which looks at how much it costs the site to deliver its workload.
    - **Quality of Service targets**, which make sure we continue to deliver for customers.
- The Quality of Service measures that determine how much of any bonus opportunity is unlocked are: Tracked 24 Delivery Loss; Tracked 48 Delivery Loss; and Delivery Point Coverage.

What action do we need to take?

1. Understand our targets

Our site will have **weekly Adjusted Cost Per Item targets** and **weekly Quality of Service targets**. These targets will help us understand how we are performing during the quarter and what we need to do.

Together, the weekly results will build towards the overall quarterly performance position, which will be used to determine whether a bonus opportunity has been created and how much of it is unlocked.

Adjusted Cost Per Item is worked out by looking at agreed site costs against the workload we deliver. In simple terms, it shows how efficiently the site is delivering its workload.

ROBIN The front door to everything you need at Royal Mail.
Scan the QR code to download Robin by Workvivo.

The key point is simple: if we deliver our workload safely and effectively while avoiding unnecessary cost, we improve our opportunity to earn a bonus.

Quality of Service is also important. The full bonus opportunity is only unlocked where we also meet our Quality of Service targets, delivering for customers while improving performance.

We will share and display updates each week so everyone can see:

- How we are tracking against weekly Adjusted Cost Per Item targets
- How we are performing against weekly Quality of Service targets
- How this is building towards the quarterly bonus position
- What is going well
- Where we need to focus
- What actions we can take together.

This will be covered through Team talk: take 5s, weekly check-ins and local performance updates.

2. Deliver safely, efficiently and effectively

- **[Manager name]** and **[CWU rep name]** will work together locally to keep the team updated on how the site is performing.
- We all need to support each other and follow the right procedures to help the site perform well.
- The focus is not on cutting corners or adding pressure. The focus is on working safely, reducing avoidable cost, protecting service and getting things right first time.

  - **Work safely:** follow all driving and safety procedures, report issues promptly, and help reduce avoidable accidents and disruption.
  - **Work efficiently:** plan ahead, avoid rework, reduce unnecessary travel, and use dedicated parcel routes appropriately.
  - **Work effectively:** deliver items correctly, use safe places properly, capture photo evidence where required, and reduce claims by getting it right first time.
  - **Work together:** support colleagues, help new starters, share local knowledge, and help the whole team complete safely and effectively.

3. Keep up to date

- We will share regular updates through Team talk: take 5s and weekly check-ins.
- These updates will show how the site is tracking against Adjusted Cost Per Item and Quality of Service.
- Each performance period is a fresh opportunity.
- If we perform better than the cost target but miss one or more Quality of Service targets, a reduced bonus may still be payable. The better we perform on Quality of Service, the more of the bonus opportunity is unlocked.

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Discussion

Use this section to talk through:

- What are we seeing in day-to-day performance at the site?
- Where are there recurring issues or pressure points in our operation?
- How are we performing against Quality of Service targets and what is influencing this?
- What is helping the team perform well right now?
- What good practice is working well and could be shared more widely?

Links and resources

Questions can be raised with your:

- Manager
- Local CWU Representative

You can also find more information about the Site Incentive on Robin, including the FAQS and leaflet.

FAQs

Check out the Frequently Asked Questions on Robin. Scan the QR code to find out more.

Robin

If you haven't yet logged on to Robin, scan the QR code and find out how.

ROBIN
The front door to everything you need at Royal Mail.
Scan the QR code to download Robin by Workvivo.

Delivery Site Incentive

Frequently Asked Questions

Overview

The Site Incentive Scheme has been jointly developed by Royal Mail and the CWU to reward sites that work safely, efficiently, effectively and together while maintaining the service our customers expect.

This document provides answers to some of the most commonly asked questions about the scheme, including how bonus opportunities are created, how performance is measured, and what colleagues can do to contribute. If you cannot find the answer to your question, please speak to your Manager or CWU Representative, or submit a question through Robin.

About the Site Incentive

Why have Royal Mail and the CWU introduced the Site Incentive Scheme?

The Site Incentive Scheme has been jointly developed by Royal Mail and the CWU to give frontline colleagues the opportunity to share in the benefits when their site performs well. It is designed to encourage safe, efficient and high-quality performance, helping to ensure letters and parcels are delivered safely and on time whilst recognising the contribution colleagues make to improving performance.

How does the Site Incentive Scheme work?

The Site Incentive Scheme is a quarterly, site-based incentive for eligible frontline Delivery employees. Sites can create a bonus opportunity by performing better than their Adjusted Cost Per Item targets and Quality of Service targets. The amount available to colleagues depends on both cost and service performance, and any bonus earned is shared between eligible colleagues based on contracted hours.

Why is the scheme rolling out alongside USO reform?

USO reform represents a significant change for Delivery sites. Introducing the Site Incentive Scheme alongside USO reform gives colleagues the opportunity to share in the benefits where sites work together to improve performance safely, efficiently and effectively, whilst maintaining the service our customers expect. The scheme is intended to continue beyond the deployment period and support frontline reward throughout the current pay agreement.

Does the Site Incentive Scheme replace any existing pay arrangements?

No. The Site Incentive Scheme does not replace existing contractual pay, terms and conditions or agreed pay arrangements. It is an additional opportunity for eligible frontline colleagues to share in the benefits created when their site performs well and creates a bonus opportunity.

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Performance and Bonus Opportunities

How does my site create a bonus opportunity?

Sites create a bonus opportunity by performing better than their Adjusted Cost Per Item (ACPI) target during the quarterly performance period whilst maintaining Quality of Service. Up to 50% of eligible financial improvements are made available to the frontline bonus pool, with the final amount depending on the number of Quality of Service targets achieved.

What are the Quality of Service measures and why are they included?

The Site Incentive uses three Quality of Service measures: Tracked 24 Delivery Loss, Tracked 48 Delivery Loss and Delivery Point Coverage. These measures help ensure that improvements in efficiency are delivered in the right way, without compromising the service our customers expect. The number of Quality of Service targets achieved determines how much of the bonus opportunity is unlocked.

What happens if my site does not meet all of its targets?

If a site does not perform better than its ACPI target during the quarterly performance period, no bonus opportunity is created for that quarter. If a site does beat its ACPI target but misses one or more Quality of Service targets, a reduced bonus may still be paid. Each quarter is a fresh opportunity for sites to improve performance and create a bonus opportunity.

How can colleagues help improve performance?

Colleagues can contribute by working safely, efficiently, effectively and together. Following standard operating procedures, delivering items correctly first time, supporting colleagues, sharing good practice and helping to deliver the daily plan all contribute towards improving site performance and increasing opportunities to create a bonus opportunity.

Eligibility and Payments

Who is eligible for a bonus payment?

Eligible Royal Mail Delivery colleagues aligned to an eligible Delivery site may receive a bonus payment, subject to scheme rules and eligibility criteria. Managers, casuals and agency staff are not included in the Site Incentive Scheme. Bonus payments are shared between eligible colleagues based on contracted hours, with 37 hours treated as the full-time equivalent baseline.

How and when will bonuses be paid?

Following each quarterly performance period, sites will be assessed against their targets and any bonus due will be calculated. If a site creates a bonus opportunity, managers will communicate the amount and when it will be paid. Bonus payments will be made in addition to regular pay and will appear as a separate line on the payslip, subject to normal deductions such as tax and National Insurance.

What happens if I join, leave or move site during a quarter?
Bonus payments are based on the site an eligible colleague is contractually aligned to on the final day of the relevant quarterly performance period. This means that colleagues who join a site during a quarter and remain aligned at quarter end will be eligible for any bonus earned by that site, colleagues who leave before quarter end will not be eligible, and colleagues who move between sites will be eligible for any bonus earned by the site they are aligned to at quarter end.

Feedback and Future Development

How can colleagues provide feedback on the scheme?
Colleagues are encouraged to share feedback, suggestions and questions throughout the scheme. Feedback can be raised through local Managers and CWU Representatives or submitted directly through Robin. Feedback received will be reviewed by the Royal Mail and CWU Joint Working Group to help identify opportunities to improve the scheme.

Is the Site Incentive Scheme expected to change over time?
The Site Incentive Scheme will be reviewed by the Royal Mail and CWU Joint Working Group, which will consider feedback and opportunities to improve the scheme over time.

Additional Information

Can I opt out of receiving a Site Incentive payment?

Yes. Employees may choose not to receive a Site Incentive payment, for example if receiving the payment could affect their benefits or Universal Credit assessment. To opt out, you should contact **Pay Services** on hrsc.bonus@royalmail.com stating your pay number and that you clearly wish to opt out of payment, before the relevant payment is processed. If you later decide you wish to receive future Site Incentive payments, you can opt back in by contacting Pay Services.

Additional Resources

Delivery Site Incentive

Manager and Local Rep's Guide

Overview

The purpose of this guide is to support managers and CWU representatives in launching and embedding the Site Incentive Scheme within their unit.

The guide focuses on the actions managers and CWU representatives should take before launch, throughout each quarter and when sharing results with colleagues. It should be used alongside the Site Incentive training materials, FAQs and other supporting resources.

Detailed information on eligibility, targets, bonus calculations and Quality of Service measures can be found in the Site Incentive Training Pack and supporting materials.

Your Role

Managers and CWU Representatives are required to plan together, communicate clearly, and support the scheme to deliver against cost and service targets. The incentive scheme is based upon factors within the control of the office.

In practice, this means:

- Communicating the Site Incentive clearly and consistently to colleagues, making use of the WTLL, Leaflet, and other supporting materials available.
- Understanding your site's ACPI and Quality of Service targets and using the Weekly Resourcing Meeting to plan staffing and operations in line with achieving your site's targets.
- Encouraging colleagues to work safely, efficiently, effectively and together, helping drive performance without adding pressure.
- Sharing results openly and gathering feedback throughout each quarter.

Before Launch

Managers and CWU Representatives should familiarise themselves with the Site Incentive Scheme and agree a joint approach to introducing it within the unit.

Before launch, Managers and CWU Representatives should:

- Attend the Site Incentive training session to understand how the scheme works, the targets that apply and how bonus opportunities are created.
- Review the Site Incentive WTLL, Leaflet, FAQs, Manager and CWU Representative Guide and other supporting materials so that you are comfortable with the content and key messages.
- Agree how the Site Incentive WTLL will be delivered within the unit, what will be covered and how questions will be handled.
- Deliver the Site Incentive WTLL jointly, recognising that the scheme has been jointly developed by Royal Mail and the CWU.

During Each Quarter

Site Incentive should become part of the normal rhythm of the unit, with progress shared regularly and discussed openly

Throughout each quarter, Managers and CWU Representatives should:

- Use the Weekly Resourcing Meeting to review performance, discuss opportunities to improve against cost and Quality of Service targets, and agree plans that support safe, efficient and effective delivery.
- Encourage colleagues day-to-day to work safely, efficiently, effectively and together. Recognise good performance, share best practice and help colleagues understand how their actions can contribute towards creating a bonus opportunity for the whole unit.
- Share the Incentive File each week through Team Talk: Take 5s. The file includes a button that generates a colleague briefing and poster, which should be printed, displayed and used to support weekly discussions.
- Use the weekly updates to explain how the site is performing against its targets, celebrate success and help colleagues understand how their actions can contribute towards creating a bonus opportunity for the unit.

Quality of Service performance is updated weekly within the Incentive File, allowing sites to track progress throughout the quarter. Adjusted Cost Per Item and projected incentive payments are updated following the close of each financial period, once cost information becomes available.

Feedback should be gathered regularly from colleagues and used to address local concerns, with wider questions and learning fed back through Robin.

End of Quarter

At the end of each quarter, Managers and CWU Representatives should take time to review the site's results and prepare for the next performance period.

- Share the site's final results with colleagues, explaining how the site performed against its targets, whether a bonus opportunity was created, and the key factors that influenced the outcome.
- Celebrate successes, recognise colleagues' contributions and identify opportunities to improve performance in the next quarter. Each quarter is a fresh opportunity to create a bonus opportunity for the unit.
- Gather feedback from colleagues on how the scheme is working and feed wider questions back through Robin. Feedback will be reviewed by the Royal Mail and CWU Joint Working Group and used to help shape the future development of the Site Incentive Scheme.

Additional Resources

Classified: RMG – Internal

Royal Mail

Site Incentive Scheme

Delivery

Shape the Future, Share the Reward

Shape the Future, Share the Reward

Our Royal Mail vision is to become the nation's go-to delivery service, the first choice for every customer, every time. Our people make the difference, and everyone plays a vital role in delivering for customers safely, efficiently and reliably.

The Site Incentive Scheme has been designed to encourage and reward sustainable high performance at Delivery offices. It gives frontline colleagues the opportunity to share in the benefits created when their site improves productivity, controls cost and protects quality of service, helping to ensure letters and parcels are delivered safely and on time.

How does the Site Incentive work?

Success depends on teamwork, so the incentive is based on site-wide performance. If your site beats its quarterly targets during the relevant performance period, eligible frontline colleagues will receive a bonus payment, subject to scheme rules and eligibility criteria.

Your site will become eligible for the scheme from the date it deploys USO reform. From that point, your site's performance will count towards the relevant quarterly performance period.

The scheme will operate on these quarterly performance periods:

- **April to June**
- **July to September**
- **October to December**
- **January to March**

If your site deploys USO part-way through a quarter, your site will be eligible from the USO deployment date. Any bonus payment will reflect the period your site was live in the scheme.

Here's what you need to know:

Understand your site's targets

Your site has quarterly cost and quality targets. You'll be briefed by your manager on how your site can work together to achieve them.

Deliver your best

Support each other, work safely and follow standard operating procedures to help your site improve performance. We've outlined some specific actions in this booklet.

Share the rewards

Based on how your site performs against the quarterly targets, eligible colleagues will receive a bonus payment. Your manager will communicate the bonus amount and when it will be paid.

Shape the Future, Share the Reward

How the site targets work: 1 + 2 = 3

By working together to optimise costs and deliver a service our customers can trust, we can all Shape the Future and Share the Reward.

1 Optimising costs – Adjusted Cost Per Item

Adjusted Cost Per Item is the cost to deliver an item after accounting for your site's unique letter and parcel mix. The amount your site beats its Adjusted Cost Per Item target by during the quarterly performance period helps determine the bonus size.

Site Costs

Site costs include:

- People costs
- Road traffic collisions
- Customer compensation

Adjusted Items

The number of letters and parcels handled by your site, adjusted to reflect that some items, such as parcels, take more effort to process and deliver.

Adjusted Cost Per Item

+

2 Delivering for our customers – Quality of Service targets

Quality of Service targets help ensure performance improvement is delivered in the right way, without compromising the service we provide to customers. The scheme uses three Quality of Service metrics. The number of metrics achieved determines how much of the bonus is unlocked.

Tracked 24 Delivery Loss

Tracked 48 Delivery Loss

Tracked 24 and Tracked 48 Delivery Loss measures whether Tracked products that reach your site on time are delivered on time.

Delivery Point Coverage → **Delivery Point Coverage records what percentage of addresses are covered each day.**

=

3 Share the Reward – What you could earn

This table shows the bonus amounts you could earn each quarter based on how your site performs.

		Possible bonus amount per quarter:			
		No QoS metrics met: 30%	1 QoS metrics met: 50%	2 QoS metrics met: 70%	3 QoS metrics met: 100%
Amount your site beats its Adjusted Cost Per Item target by	1%	£13	£21	£30	£43
	3%	£39	£64	£90	£129
	5%	£64	£107	£150	£214
	7%	£90	£150	£210	£300

Shape the Future, Share the Reward

How you can contribute

Your actions make a difference and directly impact your team and how much bonus you can all earn. By working safely, effectively, efficiently and collaboratively, you can help improve your site's performance throughout each quarterly performance period. Here are some examples of how you can do this.

Work safely

- **We want everyone to go home safely every day.**
- **Follow all driving and safety procedures to protect you, your colleagues and the public.**
- **Staying safe also helps reduce site costs.**

Work effectively

- **Follow standard operating procedures.**
- **Ensure items are delivered as requested.**
- **Use safe places correctly and capture photographic evidence.**
- **Getting it right first time helps avoid claims and repeat work.**

Work efficiently

- **Plan tasks to avoid rework and covering the same ground twice.**
- **Maximise what goes out on core deliveries.**
- **Use your time effectively to support the site's daily plan.**

Work together

- **Support new colleagues to understand the job and their route so they learn faster.**
- **Help your colleagues to ensure everyone gets out and back on time.**
- **Share ideas and good practice that help your site improve performance.**

How can you find out more?

Before your site becomes eligible for the scheme, your manager and CWU rep will brief you on the Site Incentive. They will explain how the scheme works, what your site needs to achieve and how you can contribute. You can speak to your manager or CWU rep at any time if you have questions during the performance period.

Frequently asked questions

When does my site become eligible?

Your site becomes eligible for the Site Incentive from the date it deploys USO reform. If your site deploys USO reform part-way through a quarter, your site will be eligible from the week it deploys. Any bonus payment will reflect the period your site was live in the scheme during that quarterly performance period.

How does my site earn a bonus?

Your site can earn a bonus by performing better than its Adjusted Cost Per Item target during the quarterly performance period. Quality of Service is also important. If your site beats its Adjusted Cost Per Item target, the number of Quality of Service targets achieved will determine how much of the bonus is unlocked.

What happens if my site does not hit all of its targets?

If your site does not beat its Adjusted Cost Per Item target, no bonus is earned for that performance period. If your site does beat its Adjusted Cost Per Item target but misses one or more Quality of Service targets, a reduced bonus may still be paid. Each quarter is a fresh opportunity for the site to improve performance and earn a bonus.

Do we earn the bonus together as a team?

Yes. The scheme is based on site-wide performance, not individual performance. Results are measured for the whole site, and any bonus earned is shared between eligible colleagues. The aim is to get everyone working together towards shared success.

Who is eligible for a bonus?

Eligible Royal Mail Delivery colleagues aligned to an eligible Delivery site may receive a bonus, subject to scheme rules. Managers, casuals and agency staff are not included in the Site Incentive Scheme. Bonus payments will be shared between eligible colleagues based on contracted hours, with 37 hours treated as the full-time equivalent baseline.

How and when will bonuses be paid?

After each quarterly performance period, your site will be assessed against its targets and any bonus due will be calculated. If your site is eligible for a bonus, your manager will communicate the amount and when it will be paid. Any bonus payment will be paid as an extra amount on top of regular pay and will be visible as a separate line on your payslip, subject to normal deductions such as tax and National Insurance.

Shape the Future,

How can you find out more?

Before your site becomes eligible for the scheme, your manager and CWU rep will brief you on the Site Incentive. They will explain how the scheme works, what your site needs to achieve and how you can contribute.

You can speak to your manager or CWU rep at any time if you have questions during the performance period.

FAQs

Check out the Frequently Asked Questions on Robin. Scan the QR code to find out more.

Robin

If you haven't yet logged on to Robin, scan the QR code and find out how.

By working together, we can deliver for our customers and Shape the Future, Share the Reward.

Share the Reward