Monitoring Group - An Post Agreements

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18th May 2023

Issue: An Post Transformation Programme 2023 to 2026

Background & Context

At the request of the parties, the Monitoring Group heard submissions from An Post and representatives of the An Post Group of Unions on their respective positions on arrangements necessary to enable the Company to grow in an increasingly liberalised, competitive and changing market. These exchanges and our considerations took place in the context of the prevailing Work Practice Change Agreements and the 2022/2023 Pay Agreement and our interpretation and monitoring of the Work Practice Change Agreements.

These agreements provide for cooperation with change programmes for the Corporate Centre, Retail and Commerce, designed to transform the Business overall. A further provision is that savings associated with the change programmes, when realised, be verified by us, as the Labour Court appointed Monitoring Group, and be shared as set out in LCR 21563.They also provided for a review of a number of claims arising from the JCC process.

We note the parties agreement "that transformation requires acceleration of important changes as well as the addressing of some significant claims and closing out of others for the future so that significant milestones can be achieved" and that this is "critical to the sustainability of the business and the employment it supports".

The parties also accept that this Determination will constitute an enabling agreement facilitating change at the pace required between 2023 and 2026.

The Monitoring Group understands that the transformation of Commerce Operations will extend into processing, Transport network & back-office support operations in time and that in that context changes to the processing and network infrastructure will be necessary not just to meet customer and consumer demand but to ensure the future viability of the Company. The Monitoring Group notes the commitment of both parties to working together to ensure that those demands can be met and remains available to assist the parties as that phase of transformation evolves.

Determination

The following agreements have been concluded between the parties subject to overall agreement on the transformation of the Company and the aspirations of the Unions being met in relation to certain pay arrangements. This Monitoring Group Determination will address those issues later in these documents and therefore the following documents should be accepted as agreed between the parties without further involvement of the Monitoring Group:

- Final Mile Operations Transformation Agreement (Appendix 1)
- Management Grading DSM Agreement (Appendix 2)
- Retail, Clerical, Corporate Centre, Commerce including business support functions Agreement (Appendix 3)

In relation to the referred issues that could not be agreed between the parties, what follows are our specific proposals:

PAY

The following remuneration arrangements should apply subject to compliance with the terms of the agreement.

Cost of Living/Transformation Payment

To recognise that the cost-of-living crisis continues into 2023 and to support the continued transformation of the Company a once off cost of living/transformation payment will be paid in Q4 2023. This has been agreed at € 750 per person (pro rata for part time employees). This payment will be made by way of a voucher.

Commerce Target Operating Model (Route Redesign)

Postal Operative Change Allowance

The following payments to apply to C&D (final mile) staff who are not currently in receipt of this allowance:

- A 3% change allowance effective 1st July 2024.
- Additional 2% change allowance effective 1st January 2025

The above Change Allowance to be consolidated as follows:

- ✓ 3% consolidated 1st January 2025.
- ✓ 2% consolidated 1st January 2026.

It is also proposed that the above payments apply to **Indoor Administrative Operatives** not in receipt of a Change Allowance.

It is noted that the parties have agreed to the Company bringing forward for consideration, proposals for any additional efficiency measures necessary to fund the consolidation of the Allowance and to an outside target date for agreement of 12 months from date of this Determination. In the event of agreement not being achieved, the matter should be referred to the Monitoring Group or The Labour Court for final determination.

Cleaners and Patrols

The parties were in agreement on the following terms which, for completeness, should form part of the Agreement:

- Personnel in categories in receipt of a Change Allowance of 12.5% to have 2.5% consolidated into basic pay effective 1st January 2022.
- Revised staffing associated with the move to EXO and the temporary occupation of the GPO as already agreed.
- Subject to the qualification that existing staff remain in place until retirement/resignation or agreement to alternative redeployment options, the Company will engage third party suppliers to perform Cleaning and Patrol services.
- Employees leaving employment between the date of agreement and date of payment will not receive the payments.

Surplus Staffing

Surplus staffing should be addressed in accordance with existing agreements and Determinations by the Monitoring Group.

Loss of Allowances arising from changing Start/Finish times or other arrangements in Commerce

Starting and finishing times should only change where there is an operational requirement to ensure mail clearance. On occasion in the past such changes have led to loss of allowance leading to referral to the Monitoring Group.

To aid the parties, the following is the position of the Monitoring Group on loss of allowance in such circumstances:

It is our Determination that Recommendation 7 of LCR 21563 (Appendix D) shall apply during this Transformation Programme. We further Determine that, should an NDA be lost, it be compensated in a similar manner including even if a driving allowance is now payable on the day route as a result of the change.

Governance, Monitoring, Review and Disputes

The payments proposed have been discussed in detail by the parties and are contingent on cooperation with the Company's Transformation Programme. In order to ensure implementation at pace and to address staff impact issues in a timely fashion, the following monitoring mechanisms and process should be put in place:

A Joint Operation Steering Group should be established at the business level (Corporate Centre, Commerce and Retail). Each group will comprise senior operational and HR managers together with senior Union representatives. The groups will meet at least once per month in the case of Retail and the Corporate Centre and at least fortnightly in the case of Commerce. The groups will maintain operational oversight of the programme by reviewing progress and ensuring that the agreed timelines are being met.

A Joint Business Steering Group should be established at the Centre comprising the CPO, CFO and Heads of the Retail and Commerce businesses along with the Principal Union Leaders. The purpose of the Steering Group will be to ensure the changes in the businesses are happening at pace and that the savings identified are being achieved. Information related to the financial savings accruing will be shared by this group with the Monitoring Group to enable us to meet our oversight role and validate the savings achieved.

Dispute Resolution

The Monitoring Group will continue to oversee the implementation of the Agreement, verify the achievement of savings in accordance with the timeframe set out, assist, as required, in the prompt and fair resolution of difficulties and, where necessary, issue final and binding decisions.

Implementation

The parties should convene as soon as possible to finalise arrangements for the implementation of the agreements set out in the earlier part of this Determination and attached as appendices. The implementation of changes in Final Mile Operations should commence no later than 12th June 2023.

Eamonn Ryan

On Behalf of Group

Appendix 1

An Post Commerce
and the
Communications Workers Union

Final Mile Transformation Agreement 2023

1. Introduction

Our previous agreements provide for the development of a more efficient and cost-effective process for the design of routes in Final Mile Operation. With the cooperation of CWU, the Company has spent considerable time and resources developing design capability that is data driven and future focussed to support this. The approach and methodology have been informed by the trial and test pilot at 3 DSUs.

In addition to the operational design of DSUs, the parties accept that it will be necessary to consolidate DSOs and DSUs to optimise resources, address capacity issues and build a delivery network that better reflects the operational needs of the business.

2. Purpose

The objective of this agreement is to implement an approach to DSU design that is underpinned by available and emerging technologies; is based on established industrial engineering methodologies; is timely to implement and is agile and responsive to emerging market and customer demands.

The parties are agreed that there is an urgent and immediate requirement to design DSUs that are fit for purpose and reflect the changed product mix and operational requirements. Therefore, it is agreed to focus on establishing and implementing a baseline design at every delivery site. This is to ensure standardisation in design and operation across all sites.

Critical to ensuring that all sites can respond in a timely, effective and efficient way to changes in volume (up and down), new development, changing profile of mail etc, the parties are agreed that once a new design baseline has been established at each site, operational and staffing changes will become part of the normal operation of the DSU and will be addressed through local engagement with the relevant CWU representative(s) and supported by Regional Operations Managers and the Operations Solutions Team.

In tandem but not necessarily simultaneously with the design of DSUs, the consolidation of DSOs and DSUs will proceed. The programme of consolidations will be shared with CWU HQ yearly and updates provided at the Accommodation JWG as required to ensure that there is timely notification of any planned consolidations.

The parties are committed to working in a mutually supportive way and in a spirit of cooperation to ensure that barriers to progress are avoided and the programme of designs and consolidations is delivered at pace and within the timeframes agreed.

3. Design Approach

Section 1.1.6 of the Collection & Delivery Work Practice Change Agreement provides that *'It is management's responsibility to plan, organise and operate the business in a manner which assures its commercial viability. In this regard, management will determine the services to be provided, the resourcing requirements and the associated operational arrangements to ensure the cost effective and efficient delivery of these services to customers.'*

The revised design approach and methodology, incorporating the learning from the Test & Learn DSUs, will be incorporated into future redesigns.

The parties agree to work towards an optimised DSU design period of 14 weeks, including the principles underpinning the local engagement element are set out in Appendix A.

CWU members will cooperate with the collection of local route and other information and provide feedback in the planning phase of the design process.

Information will be shared for review and input with local CWU representatives as it becomes available and throughout the design process from planning to implementation.

Indoor Admin Operatives, where available, will be involved, at the direction of their DSM, in the collection and collation of DSU data that will be shared with the design team and included in the Office Profile report for each DSU. This work will be in line with the activities set out in the IAO role profile.

It is accepted that this level of engagement at the planning stage, will allow for the production of better-quality designs and will therefore largely mitigate the requirement for lengthy local engagement as heretofore.

A period of three weeks is assigned in the process for the purposes of local engagement. The local engagement will be focussed to ensure that the targeted implementation date is met.

The management of staff impact issues, and broad principles around training plans and implementation arrangements will be agreed centrally and in advance where possible to ensure that the local engagement can move at pace.

There will be an agreed standardised approach to the duty competition which will apply across all DSUs. Discussions on this issue will commence immediately and conclude no later than the 12th June. If no agreement can be reached before that date, the matter will be jointly referred to the Monitoring Group for binding Determination.

4. Design Programme and Timelines

The design programme will commence on the 12th June 2023 with the first tranche of 20 DSUs.

The company design programme and target implementation will be completed within 18 months with the support and cooperation of the CWU – this allows for some down time during Peak Operations.

Both parties are committed to ensure that there are no obstacles to the timelines being achieved and that the programme can move unhindered and at pace.

The programme of designs and associated timelines is attached as Appendix B.

5. DSO and DSU Consolidations

The consolidation of DSOs will continue and a programme to consolidate DSUs will commence from 12th June 2023.

The programme of consolidations for the next two years is agreed and is attached as Appendix C.

The compensation arrangements already in place in relation to the consolidation of DSOs (i.e. the Tom Pomphrett Formula of the 8th November 2010) will also apply in the case of DSU consolidations.

6. Support Structure

The CSG will have oversight of the programme to review progress and to ensure that the agreed timelines are being met. The CSG comprises the Operations Director and HR Director APC, the General Secretary and Postal National Officer CWU. The Group will meet weekly and as required to ensure that any blockages to progress are removed without delay.

The CSG will agree and authorise any additional measures that are identified as being necessary to support the process and the pace of implementation.

7. Concept Office

The parties have agreed to the establishment of a Concept Office at a single DSU location which will be jointly agreed.

This DSU will be utilised for operational trials and to test new ideas, products, equipment, modes of transport etc.

8. CAD

The Company has already advised the Union that it is reviewing CAD Operations with a view to optimising synergies between CAD operations and the Operations Solutions Team. That review will include the role and remuneration of the CAD Team Leaders and Validators. The Company will engage with CWU to ensure that the review is completed within six months of the date of this agreement.

9. Transformation – Other Phases

The parties acknowledge that the transformation of Final Mile Operations extends beyond delivery design and will include building a service offering to meet customer demand, including the following:

a. Extended weekend parcel delivery
b. Same day delivery
c. Enhanced tracking

The principles set out in this Implementation Agreement expand on those already agreed in the Collection & Delivery Work Practice Change Agreement 2006 and are intended to ensure that Company, supported by CWU can more efficiently and effectively design its Final Mile Operation to enable it to respond more agilely and at pace to the evolving commercial environment.

Signed on behalf of An Post Commerce:

Signed on behalf of the CWU:

Appendix A

Local Engagement – Broad Principles

The parties agree the following:

- Section 1.1.6 of the Collection & Delivery Work Practice Change Agreement provides that *'It is management's responsibility to plan, organise and operate the business in a manner which assures its commercial viability. In this regard, management will determine the services to be provided, the resourcing requirements and the associated operational arrangements to ensure the cost effective and efficient delivery of these services to customers.'*

- Every effort will be made by both parties to ensure that the designs are implemented at pace to ensure that the timelines agreed in the document are achieved

- It is agreed that there will be one week of local engagement/consultation at the planning stage of the process on the basis of a first pass analysis having been completed and shared.

- This will include local DSU factors, staff issues re non drivers/ring fenced personal to holder arrangements.

- The feedback provided during this phase will be fed back to the design team in a structured way, utilising the feedback form provided

- The feedback will be provided by local representatives in a timely manner i.e. as it arises to ensure that the information is shared with the design team as early as possible

- Feedback will be considered by the design team, and incorporated into the design as appropriate and will inform the final design of the DSU. This exercise will take 1 week

- Once a final design has been developed, it will be shared with local representatives and the two week engagement/consultation period will commence. Local representatives (2) will be released from their normal work during this period.

- The local representatives will be provided with a booklet detailing
    - Principles of Design
    - Design Summary
    - Duty Summary (Pre & Post)

- Volumes & Hit Rates
- Provision for New Development
- Allowances Attracting
- Gantt Chart
- Route Summary
- Feedback Mechanisms
- Staff Profile
- Agreed seniority list to apply for Duty Competition

- The purpose of this two week engagement/consultation is to allow for the following:
  - Joint comms to the wider group
  - Any additional feedback to be captured and incorporated as appropriate
  - Identify any unforeseen staff impact issues arising
  - Co-ordinate arrangements for implementation – duty competition, training plan etc

- If there are any issues arising during this period that may be an obstacle to progressing the implementation of the design, they will be documented and notified to the Implementation Manager by the DSM and CWU representatives in a timely manner to ensure the implementation date is not impacted.

- The CSG will be available where issues cannot be resolved at that level.

- As always, the services of the Monitoring Group are available to the CSG if required.

- There will be a local review held within 6 weeks of the 'go-live' date. The purpose of the review is to ensure that the design has been imbedded and is working effectively.

Appendix B

Phase 1 - 20 DSUs	05/06/23	15/09/23
D15 Blanchardstown redesign rollout	05/06/23	08/09/23
D22 Fonthill redesign rollout	05/06/23	08/09/23
Galway redesign rollout	05/06/23	08/09/23
Donegal redesign rollout	05/06/23	08/09/23
Ballina redesign rollout	05/06/23	08/09/23
Dundalk redesign rollout	05/06/23	08/09/23
Bantry redesign rollout	05/06/23	08/09/23
Thurles redesign rollout	05/06/23	08/09/23
Ennis redesign rollout	05/06/23	08/09/23
Wexford redesign rollout	05/06/23	08/09/23
Naas redesign rollout	05/06/23	08/09/23
D1 Rutland Place redesign rollout	12/06/23	15/09/23
D18 Foxrock redesign rollout	12/06/23	15/09/23
Ballinasloe redesign rollout	12/06/23	15/09/23
Letterkenny redesign rollout	12/06/23	15/09/23
Kells redesign rollout	12/06/23	15/09/23
Mallow redesign rollout	12/06/23	15/09/23
Claremorris redesign rollout	12/06/23	15/09/23
Enniscorthy redesign rollout	12/06/23	15/09/23
Newbridge redesign rollout	12/06/23	15/09/23

App C

Consolidations Planned for the next 12 months*

- Rutland place to consolidate into Ravensdale Road
- Ballina DSU re-site, incorporating 9 DSOs
  - Ballycastle, Bonniconlon, Crossmolina, Dromore West, Easkey, Foxford, Inniscrone, Killala & Lahardane
- Sligo extension, incorporating 4 DSOs
  - Ballymote DSU and Tubbercurry, Manorhamilton & Bundoran DSO
- Midleton DSU into Cork (CDC)
- Macroom DSU resite, incorporating Ballincollig DSU
- Bantry DSU resite, incorporating 3 DSOs,
  - Dunmanway, Kealkil & Glengarriff

Potential for new Tralee site, incorporating Listowel DSU & 4 DSO's.

- *There may be others in the event that suitable opportunities are presented to us. Details will continue to be shared through the Joint Accommodation Committee*

Appendix 2

Agreement between An Post and the Communications Workers' Union on Management Grading - DSMs

Background

The 2021 agreement on pay committed each side to review management grading with a view to having a Company-wide An Post Management Grading structure and performance related pay model for each level.

This matter has been ongoing for a number of years without agreement being achieved, until now. We are committed to bringing consistency of approach to management grading and pay on the proviso that it is done in a fair cost effective and sustainable manner in line with market-based pay rates. While some grades remain to be reviewed such as the Working Leaders and Process Area Managers in processing centres, a review of those grades can only be concluded when the future requirements of these roles become clearer. Engagement on the Working Leader role will commence by the end of Q3 2023. In recognition of this, and accepting that there will be significant changes associated with the review of the Working Leader role, Working Leaders in receipt of a 12.5% change allowance will have 2.5% of this consolidated into basic pay with effect from the 1st January 2023.

The focus of this agreement, is bringing DSM categories in line with Head Office and Retail grades. Through engagement with operational management, a clearer picture is emerging of the future desired management structures and the future professional role of the Delivery Service Managers (DSMs) in and across Delivery units (DSUs). There will be a greater level of DSU consolidation reducing the total number of offices and greater standardisation and use of technology. This will lead in time to fewer managers that may be managing across a number of locations or larger units. The number of smaller offices will reduce and each office may not need to have a dedicated resource at DSM manager level. Further engagement will take place over the coming years on this matter. This proposal has been developed with a view to facilitating a transformed mails network and management ways of working.

Agreed Pay and Terms and Conditions for Delivery Service Managers

The parties have agreed to move all DSMs from a service-related incremental pay system to a system of pay where pay is progressed using a pay Matrix linked to performance and position in a pay band set around a market median rate of pay. The median pay rate is adjusted annually, usually effective from 1st January, based on the market movement for the previous year. These categories will then not be part of the collectively bargained system of pay determination.

To avoid reducing the pay and other conditions of existing employees whose grades or pay were set in other circumstances this agreement does not propose reducing pay or benefits of existing holders of these roles. New entrants or newly promoted persons will be placed on the appropriate grading and terms and conditions contained and as set out in this document only. While existing employees will move to the new grading system, they will assimilate onto the grade on their current rates of pay in line with this proposal. It is accepted that placing DSMs on the CM1, CM2 and CS1 grades may act as an enabler to easier movement to similar grades in the organisation and vice versa.

The bonus level (15%) will continue to apply to CM1 and CM2 and will be 10% for CS1s in line with other staff at the CS1 level. Existing staff on DSM3 grade will assimilate to CS1 grade and will retain their maximum bonus of 15% on a personal to holder basis.

All DSMs (they are already part of a performance review process) will move to the market related and performance pay progression system. For those with existing productivity/change allowances these will be rolled into base pay as part of the assimilation process to the market-based pay system. Attendance based allowances such as Night Duty Allowances and On-call allowances will continue to apply.

In anticipation of and in preparation of the future consolidation of DSUs we have reduced the number of offices at DSM3 level and reserved the CM1 grade for all but the largest offices. (see new cut offs agreed in Appendix 1). Managers of the reduced number of DSM1 offices will be graded at CM1 and the reduced number of DSM3 offices at CS1. DSM2 office Managers will be graded at CM2. The current pay scales and the median for the revised pay bands, together with the Progression Matrix are contained in Appendix 2.

In the context of the implementation of new designs during 2023 and 2024 and future consolidations, the Company is committed to revisiting the DSM 3 role, in the remaining DSM offices, with a view to seeking to eliminate their requirement to carry our work at the Postal Operative level, where practicable. This will ensure that the DSM has the necessary capacity to provide greater focus on the management and leadership aspects of the role. Nothing in this agreement prevents management carrying out any tasks when they believe these are needed for operational or customer service reasons.

It is more than sixteen years since the DSM role profile was last reviewed. A revised role profile that more appropriately reflects the professional leadership skillset required of the modern DSM has been agreed by the parties and is included as Appendix 3 to this document.

Worked examples setting out the impact for DSM grades has been attached as Appendix 4 to this document.

Administration

Appealing Performance Ratings

The Company's existing appeals process in relation to performance ratings under the Company's PMD system will apply.

(a) Appeals of performance ratings must be made by the employee no later than 4 weeks after being advised of their rating.
(b) Appeals will be considered in the first instance by a manager two levels above that of the employee who is appealing.
(c) Where the employee is not satisfied with the outcome of the appeal, he/she may appeal that decision to appeal Managers direct Manager.
(d) Where a manager is unhappy with the outcome of any appeal, he/she may make a final appeal to the Chief Human Resources Officer, **or their nominee**, whose decision shall be final on the matter.
(e) Union representation at point (d) may be availed of in the appeal process.
(f) The above is without prejudice to an individual's rights under the Company's Grievance Procedure.

Acting up to Management Roles

To bring consistency to acting up arrangements - acting up to management grades including the management grades referred to in this agreement will be on the basis of advancing from current rate of pay (including any productivity/change allowance) to 80% of the median of the higher grade or to a 5% increase whichever is greater.

(For the avoidance of doubt employees acting to PMD grades will have their acting allowance calculated by reference to the higher of either (i) 80% of the median of the relevant PMD grade, or (ii) the total of existing pay plus any productivity allowance, plus 5% of basic pay.

Historical calculation of acting allowances by reference to older promotional payscales or differentials will no longer apply, effective from the date of this agreement.)

Effective Date of Agreement

Except where otherwise agreed in this document, the effective date of the terms of the agreement is the 1st January 2024.

Signed on behalf of An Post Commerce: Signed on behalf of the CWU:

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Appendix 1–Split between establishment numbers and DSM grades

DSM Grade	Current Position DSM1 60+ DSM2 25-59 DSM3 12-24	Future Position DSM1 75+ DSM2 20-74 DSM3 12-19	Assimilation grade
DSM 1	23	11	CM1
DSM 2	63	87	CM2
DSM 3	27	15	CS1

DSU categories (and grades of future DSMs appointed to those DSUs) will be adjusted in tandem with this agreement to reflect the changes to categorisation. The pay and terms of the of DSMs will be in line with this proposal. Future vacancies for DSMs will be filled at the appropriate grade and on the basis of the number of employees assigned to the DSU at the time of the advertisement of the DSM role – excluding the DSM in line with this proposal. Temporary vacancies or periods of acting up will be remunerated at the appropriate grading of the DSU based on the number of employees in the DSU at the time the Temporary /acting-up DSM position is advertised and not at the grade of the incumbent.

Appendix 2 –Revised Market based pay bands at 1st January 2023:

Current Salary Scales		New Grade	Median	Current Max Bonus	Future Max Bonus
Existing DSM1	€63153-65843	CM1	€75083	15%	15%
Existing DSM2	€53497-61608	CM2	€63218	15%	15%
Existing DSM3	€42178-51170	CS1	€54266	15%	10%

Pay Progression Matrix.

This pay progression model was contained in Appendix 1 of the Monitoring Group Determination in relations to Clerical Managers dated 30th November 2018.

Salary matrix guidelines (standard An Post model - subject to affordability and Board approval)
X = Market Movement

Range Position ->	***80% to 84%***	**85% to 89%**	**90% to 94%**	**95% to 99%**	***100% to 104%***	***105% to 109%***	***110% to 114%***	***115% to 119%***	***120%+***
Individual Performance									
Unsatisfactory	Discretionary								
Below Expectations (B)	X+3%	X+2%	X+1%	X+0%	X+0%	X+0%	X+0%	X+0%	X+0%
Meets Expectations (M)	X+5%	X+4%	X+3%	X+2%	X+0%	X+0%	X+0%	X+0%	X+0%
Exceeds Expectations (E)	X+7%	X+6%	X+4%	X+4%	X+3%	X+3%	X+0%	X+0%	X+0%
Outstanding (O)	X+10%	X+8%	X+6%	X+5%	X+5%	X+5%	X+4%	X+4%	X+0%

Appendix 3 – Revised Role Profile DSM

Delivery Services Manager in Final Mile, DSM 1, 2 & 3

Job Purpose:

The role of the Delivery Services Manager is to motivate, direct & guide all colleagues to ensure that the required expectations for productivity, quality, continuous improvement, and service levels are met on a daily basis, in the most efficient manner practicable and within a safe environment.

The role encompasses regularly reviewing the site performance to understand & implement the required improvement steps and support each implementation with effective communications to all colleagues.

The Delivery Services Manager will also represent An Post Commerce Final Mile Operations to the communities we service and other An Post departments, in a presentable and competent manner, that reflects the professionalism of the role.

Responsibilities will include:

- A commitment to continuous improvement to ensure an efficient and cost-effective operation by actively managing your team, your colleagues, your fleet and other resources.

- Drive a culture of customer obsession, aiming for excellent customer service and the achievement of business Quality targets.

- Maintain and promote high standards in Workplace Health & Safety to support a safe working environment for all colleagues & customers.

- Inspire and recognise a culture of best practice and knowledge sharing amongst your Team.

- Motivate your workforce to deliver improved performance levels through effective and authentic leadership.

- ➢ Utilise all available data including delivery metrics to drive performance of your office.

- ➢ Champion the Sustainability agenda at DSU level to ensure that Company targets are achieved.

- ➢ Be a role model, mentor and an An Post advocate to our employees, our customers and our communities.

- ➢ Plan, direct and organise the activities in your DSU so that the agreed objectives of the business are achieved.

- ➢ Develop and maintain constructive and collaborative working relationships with all stakeholders to ensure best outcomes.

Person Specification:

- ➢ Excellent communication skills with both the team you lead and the wider APC team.
- ➢ Have an enthusiastic, committed and energetic approach to the role.
- ➢ Has a growth mind set, positive outlook and be adaptable to change.
- ➢ Strong leadership skills with a commitment to personal and team development
- ➢ Be resilient and resourceful.
- ➢ Have the ability to interpret and use data to support good decision making.
- ➢ Exemplifies the values and culture of An Post

A full driver's licence free of endorsements is required.

Critical Competencies: ***(The following competencies are critical to the delivery of results and/or to superior performance in this role)***

- Leadership skills

- Commitment to continuing personal and professional development.

- Results driven.

- Customer centric.

- Excellent Communicator.

- Strong organisational skills.

Appendix 3 – Worked Examples

Current Grade Code	Current annual income including Productivity & Service	Acting Allowance	Productivity Y/N	New Grade/ Acting Grade	New Median Inc 3.2%	Compa Ratio	Next Increase based on Meets Expectations	Next Increase based on Exceeds Expectations	Additional Bonus for Meets Expectations High 4.4%	Old bonus	New bonus
DS1	€74,074		Yes	CM1	€75,083	98.66%	2%	4%	€362	€2,897	€3,259
DS1	€65,843		No	CM1	€75,083	87.69%	4%	6%	€0	€2,897	€2,897
DS1	€74,074		Yes	CM2	€63,228	117.15%	0%	0%	€362	€2,897	€3,259
DS1	€65,843		No	CM2	€63,228	104.14%	0%	3%	€0	€2,897	€2,897
DS2	€69,197		Yes	CM2	€63,228	109.44%	0%	3%	€191	€2,706	€2,897
DS2	€61,508		No	CM2	€63,228	97.28%	2%	4%	€0	€2,706	€2,706
DS3	€57,567		Yes	CS1	€54,267	106.08%	0%	3%	CS1 MEH = 3%		
DS3	€51,170		No	CS1	€54,267	94.29%	3%	4%	CS1 MEH = 3%		
Current WL acting to DS1 with Prod	€48,611	€19,943	Yes	CM1	€75,083	91.30%	3%	4%			
Current WL acting to DS1 no Prod	€43,210	€19,943	No	CM1	€75,083	84.11%	5%	7%			
Future WL acting to DS1 with Prod	€48,611	€11,455	yes	CM1	€75,083	80.00%	5%	7%	no change in bonus as substantive WL		
Future WL acting to DS1 no Prod	€43,210	€16,856	No	CM1	€75,083	80.00%	5%	7%	no change in bonus as substantive WL		

Appendix 3

Appendix 3

Retail, Clerical, Corporate Centre, Commerce including business support functions.

Universal Clerk grade

The Monitoring Group acknowledges the significant level of transformation required by those holding the Universal Clerk Grade arising principally from Corporate Centre Transformation programmes underway. A new scale is applicable from 1 January 2024, details included in the appendix.

Universal Clerk pay

Effective from 1 January 2024

	Current weekly	Current annual	New rate 01.01.2024
Point 1	522.21	27,155	532.65
Point 2	547.36	28,463	558.31
Point 3	572.54	29,772	583.99
Point 4	597.71	31,081	609.66
Point 5	622.86	32,389	635.32
Point 6	648.04	33,698	661.00
Point 7	673.19	35,006	686.65
Point 8	698.37	36,315	712.34
Point 9	723.53	37,624	745.24

Retail Office Conversions

The parties agree to convert 6 Company Branch Offices, 3 in Dublin and 3 in the provinces, to contract status.

When Retail Offices are converted to contractor offices staff in those will have the following options:

1. To apply for Voluntary Severance in line with the terms applicable at that time
2. Relocate to another office within 45KM or perhaps to a Head Office Position (with or without hybrid working)
3. Take on the Post Office Contract (subject to suitability) plus a severance package.

Previously staff could stay on secondment, in the office and continue being employed by An Post but this is no longer feasible. Alternative redeployment options will be agreed.

State Savings

The parties agree to co-operate with the transformation of State Savings including the implementation of a new Target Operating Model expected in 2023 and 2024. This also includes the examination of the Shared Services Centre supporting Central Operations and any associated changes to work practices and operating model.

Corporate Centre/Retail/Commerce Transformation

Staff will cooperate and support the new ways of working covering non-frontline staff in Corporate/Retail/Commerce to transform the Corporate HQ to a lean expert core at the EXO and for those remaining in the GPO, Finance, HR, Philatelic, Operational Audit, Legal, Central Operations, Contact centre etc.

Staff will cooperate with and support new ways of working in the EXO and the use of technology and systems there to deliver on the vision of a lean expert core.

The move to the new Corporate HQ for all staff (including those remaining temporarily in GPO pending hand over of the building to the state) is deemed addressed by the Cost of Living/ Transformation payment.

Career Path/Duty Competition/Training & Development

The parties are agreed in tandem with the introduction of new working environment there is a requirement for a new approach in the development/ training of staff together with providing a career path for Manager/Clerical stream. An alternative method is also needed to address clerical career progression. In this context to review the CDAP and other related processes with a view to identifying a process of clerical career development more in line with the modern corporate HQ envisaged for the EXO.

App D

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CD/17/274

RECOMMENDATION NO. LCR21563

CCc-143217-14

INDUSTRIAL RELATIONS ACTS 1946 TO 2015
SECTION 26(1), INDUSTRIAL RELATIONS ACT, 1990

PARTIES :

AN POST

- AND -

COMMUNICATIONS WORKERS UNION
CIVIL AND PUBLIC SERVICES UNION
ASSOCIATION OF HIGHER CIVIL AND PUBLIC SERVANTS

DIVISION :

Chairman :	Mr Foley
Employer Member :	Ms Doyle
Worker Member :	Ms Tanham

SUBJECT:

1. Pay Increase

BACKGROUND:

2. This dispute concerns a claim by the Group of Unions for a 6% pay increase. The dispute was originally before the Court in October 2015 and March 2016. Following the two previous Hearings both parties engaged in further discussions. However, they were unable to agree to a satisfactory outcome. A Labour Court hearing took place on the 21st August 2017.

UNION ARGUMENTS (SUMMARY)

The CWU stated that;

1. It has cooperated fully with LCR21206 and implementation of the specific measures to apply in Phase 1, i.e. Sick Pay Scheme, Revised Severance Terms and Home Garaging cessation. Accordingly the question of additional savings in that regard does not arise.
2. It has further agreed both the revised Staffing Process and the new Industrial Relations / Industrial Peace Protocol as a result of discussions arising from LCR21206. Both of these combined are worth more than any suggested shortfall between the savings required and savings achieved to fund their 50% of the cost of the first phase pay increase.
3. It does not accept any responsibility for the Company's apparent difficulties in implementing change during the last year. It had suggested alternative approaches which would have resulted in a more effective implementation of these changes, which would have resulted in additional cost savings arising through reduced VS/VER Scheme costs in respect of departing surplus staff.
4. There is an expectation of a 3.5% increase from the 1st of July 2017 as this is provided for in the earlier Labour Court recommendation.

COMPANY ARGUMENTS (SUMMARY)

1. The cost savings equal to 50% of the cost of the 2.5% phase 1 pay increase have not been achieved.
2. An Post's financial and trading circumstances have remained challenging since they were presented to the Labour Court at the hearings that resulted in two earlier Recommendations.
3. The company has made real progress in respect of the contribution of pricing and growth to the future financial viability of the core business, by earlier this year achieving shareholder approval for a significant increase in prices. While this will result in a revenue increase annually there may be an acceleration of mail volume decline arising from this level of increase, but this may take some time to impact.
4. While the new Industrial Relations / Industrial Peace Protocol and the new Staffing arrangements are welcome and beneficial to both parties, it is not possible to place a direct monetary value on them. By having them they will influence the achievement of other cost savings and these are either yielding savings or they are not.
5. Even if 'additional efficiency measures' are agreed which equal or exceed 50% of the cost of a 3.5% pay increase, it would be inappropriate to award an increase of that amount in any circumstances.

RECOMMENDATION :

This dispute relates to the finalisation of an outstanding claim by the An Post Group of Unions for a 6% pay increase. The claim has been the subject of two previous Labour Court Recommendations; LCR21053, dated 6th October 2015, and LCR21206, dated 1 April 2016, which have been accepted by the parties.

LCR21206 set out a basis for an award of a pay increase of 2.5% with effect from 1st May 2016 and also set out the context in which further pay talks could take place with a view to the potential of further pay increase(s) being implemented no earlier than 1st July 2017, unless agreed otherwise. A key feature of this was that negotiations should take place between the parties to identify further "additional efficiency measures", in addition to those required under LCR21206 and relating to the payment of the 2.5% from 1st May 2016. Those 'additional efficiency measures' would fund 50% of the cost of any further pay increase that could be agreed between the parties. The Court also recommended that the Monitoring Group would be responsible for verifying the achievement of savings and adjudication on any disagreement regarding the date and or amount of any further award including where there is a shortfall in the level of savings required.

The Court understands that the parties last met with the Monitoring Group on 20th July 2017 to review the savings achieved to date in respect of the first phase and the progress made in respect of identifying additional cost saving measures to fund a further increase in pay. At this meeting the CWU advised that it wished for the matter to be referred back to the Labour Court as provided for in LCR21206.

The Court has considered in detail the written submissions of the parties and the extensive oral submissions made by the parties at the hearing of the Court. The Court also notes the report received from the Monitoring Group. Taking account of all of the detail of the above and in the context of LCR21206, the Court recommends as follows:

1) Additional Efficiency Measures

While the Court referred to 'additional efficiency measures' in LCR21206 it did not specifically set out how these could be measured. Ordinarily, the Company has the right to assign the necessary resource required for a particular body of work based on the volume of work and the application of the appropriate work standards. In this regard, any savings arising from assigning the necessary resources to appropriate workload would not be seen as 'additional efficiency measures'.

Notwithstanding the above, on the basis that the proposed significant number of staff reductions are implemented in Mails Collection & Delivery by the end of 2017 via the proposed alignment of resources with the reducing workload in a faster manner than heretofore, 50% of the savings accruing from this initiative should go towards the Union's contribution to funding their 50% cost of the next phase pay increase.

2) Verification of Phase 1 funding

Having considered a report from the Monitoring Group in this regard, and taking into

account the verified actual savings on a current annualised basis, the ongoing benefits to the Company arising from the new Staffing Process and the new Industrial Relations / Industrial Peace Protocol, and the fact that the savings arising from the reduced cost of Voluntary Severance is a timing issue, the Court is satisfied that no further additional cost savings are required under phase 1.

3) Next Phases

Subject to the verification of the implementation of the necessary additional efficiency measures, including those already discussed between the parties, as identified below, by 30th November 2017, the following phased pay increases shall apply:

Phase 2 – 2% with effect from the 1st July 2017, and

Phase 3 – 1.5% with effect from the 1st July 2018

The annualised cost of this two-phase pay increase is estimated by the Company at circa €15m. The required 50% funding contribution from agreed additional efficiency measures from the Unions is circa €7.5m. As the overall cost is dependent on the amount of the pay increase that is pensionable the Monitoring Group shall verify the actual cost and the required savings with the parties.

In respect of the third phase, should the implementation of the phase 2 and phase 3 additional efficiency measures deliver verified annualised savings in excess of the required amount by the end of March 2018, then the 1.5% increase may be brought forward by up to three months, to the first day of April 2018. In these circumstances the third phase will be of 12 months in duration, expiring not earlier than the 31st March 2019. The savings under all phases and the payment date of phase 3 are subject to verification by the Monitoring Group based on the actual annualised savings.

The Monitoring Group will therefore continue to review the achievement of savings on a quarterly basis and may make a recommendation in this regard if appropriate or, if necessary, refer the matter back to the Labour Court for final decision.

In order to fund 50% of the cost of the pay increase, the following additional efficiency measures shall be implemented:

1. Mails Collection & Delivery

A reduction of circa 290 staff FTEs to be implemented by November 30th 2017 in accordance with the process recently agreed in this regard between the parties. This number is net the staff FTE reductions planned for 2017 under the traditional C&D redesign process. 50% of the ongoing savings arising from the above staff FTE reduction is to contribute to the overall pool of savings to fund the Unions 50% of the cost of this pay award.

The staff FTE numbers and the C&D locations are to be finalised between the parties, with the assistance of the Monitoring Group, as required, within a two week period from the date of this recommendation.

2. Retail

The conversion of 7 Post Offices to contractor status, shall be completed by the end of 2017. In order to incentivise the staff option of becoming a Contractor

(Sub-Postmaster) at each location, the following terms shall apply: (i) current Voluntary Severance terms (up to maximum of two years pay), (ii) after a period of two years from the conversion date, the rate which the company will cover in respect of seconded staff to the Contractor shall be the hourly amount in excess of the hourly "living wage" in Ireland, and (iii) revised contractual terms in accordance with the new commercial contract currently under negotiations between the Company and the recognised Sub-Postmaster / Contractor representatives. The parties should refer any unresolved issues arising in this regard to the Monitoring Group for consideration and determination.

50% of the total savings arising from the conversion of Post Offices is to be allocated to the overall pool of savings to fund the Unions 50% of the overall cost of this pay award.

3. Clerical Managers

A common Clerical Managerial structure to be introduced with the existing permanent post holders being red circled on their current pay scale, on a personal to holder basis. The structure is as set out below:

CM1 – HEO's, Superintendent 1s

CM2 – EO's, Superintendent 2s

CS1 – Overseer, DPM

CS2 – Front Line Supervisor

The parties will endeavour to conclude agreement regarding the remuneration of Future Entrants to the above Clerical Management structure within a period of three months from the date of this recommendation. If the parties cannot reach an agreement on the matter within that time period, it should immediately be referred for Third Party determination in accordance with the agreed IR procedures. An amount of 50% of any savings arising from this element of the agreement will be counted towards funding the unions' half of the cost of the above pay increases.

4. Closure of a Mails Processing Centre

The parties are to conclude discussions regarding the Company's proposal to reduce the size of its mails processing network within a period of six months from the date of this recommendation. As a first step, the parties should agree the operational changes to enable the cessation of the temporary diversion of the Fonthill/Portlaoise mails, if feasible, within four weeks of the date of acceptance of this recommendation. Subject to the completion of the substantive discussions, including consideration of the review already carried out by the Company in this regard with McKinsey Consultants, the parties should also agree an implementation plan within the above period, including addressing the staff impact issues.

If the parties cannot reach an agreement on the matter within that time period, it

should immediately be referred for Third Party resolution in accordance with the agreed IR procedures.

An amount of 50% of the total savings arising from the closure of a centre is to be allocated to the overall pool of savings to fund the Unions 50% of the overall cost of this pay award.

5. Other Additional Efficiency Measures

The parties should discuss any other additional efficiency measures that may be necessary to fund 50% of the cost of the recommended pay increases, from any existing listed proposals or other proposals, in accordance with the process set out by the Court previously in this regard.

If the parties cannot reach an agreement on these additional efficiency measures within the specified period of time, it should be referred to the Monitoring Group for resolution in accordance with the agreed IR procedures.

An amount of 50% of the total savings arising from the above measures are to be allocated to the pool of savings to fund the Unions 50% contribution to the overall cost of the above pay increases.

Should circumstances arise where the agreed annualised savings from the additional efficiency measures achieve in excess of the Unions' 50% funding requirement, the parties should discuss how these additional savings can be used to address staff aspirations in respect of future pay increases in the context of the company's prevailing financial and trading circumstances.

6. Additional Efficiency Measures – AHCPS and CPSU

Discussions remain ongoing at present with the AHCPS and the CPSU. These discussions should be finalised within a maximum period of four weeks from the date of this recommendation, with the assistance of the Monitoring Group, if required by the parties.

In the event that is not possible to conclude agreement directly between the parties regarding the additional efficiency measures and associated savings, or with the assistance of the Monitoring Group, the matter will be referred back to the Labour Court for a definitive recommendation in this regard.

50% of the savings arising from the additional efficiency measures shall also be counted towards funding the two unions' half of the cost of their portion of the above pay increases.

7. Addressing impact of proposed changes on specific Pensionable Allowances

The Court recognises the impact which the introduction of the proposed changes may have on staff earnings through the loss of Night Duty and/or Shift Pensionable Allowances. To offset these the following shall apply;

All Staff impacted by the loss of Night Duty and/or Shift Pensionable Allowances

under this Recommendation, who have had such allowances for a minimum period of five years, shall be compensated in respect of the actual established loss. The formula for compensation reflects the nature of previous agreements between the parties in this company for compensation in respect of permanent and pensionable allowances and is reflective of the unique nature of such agreements within this company. In that context therefore the compensation should be calculated by reference to the prior three year average and by the payment of a once-off lump sum equal to 2.5 times the established annual gross loss. This payment will be pro-rata where an employee has less than 2.5 years remaining service to normal pension date. Additionally, staff who are within 3 years of normal pension age from the date of this recommendation shall have the benefit of their Pensionable Allowance(s) credited to their final pensionable salary.

The parties should refer any issues arising in this regard to the Monitoring Group for consideration and determination.

8. Voluntary Severance Scheme Terms

The Court has been requested to address issues arising and to provide clarification in respect of the Voluntary Severance Scheme terms, as recommended under LCR21206. The Court addresses and clarifies matters as follows:

The new Voluntary Severance Scheme terms are:

- i. **6 week's reckonable pay per year of service, inclusive of statutory redundancy pay. This is subject to an overall maximum payment of 104 week's reckonable pay in total.**
- ii. **This is also subject to a further overall maximum of the payment being no greater than the amount the employee would earn if he/she worked to their normal retirement age, provided that is less than 104 week's pay.**
- iii. **Employees who are entitled to retire without actuarial reduction under the 2015 amendment to the An Post Superannuation Schemes are not eligible to avail of the Voluntary Severance Scheme terms. However, an ex-gratia payment of up to 6 months reckonable pay shall be paid by the company, but reducing by one (1) month per year from age 60 to age 66 years.**
- iv. **Employees who are entitled to retire but with an actuarial reduction applied in accordance with the 2015 amendment to the An Post Superannuation Schemes shall not be eligible to avail of the VS Scheme terms, but if they retire they will be paid an additional lump sum of up to a maximum of 18 months reckonable pay – on a downward sliding scale from age 60.**
- v. **The Company shall continue to reserve the right to refuse any application under the above Scheme.**

The Court so recommends.

Signed on behalf of the Labour Court

Kevin Foley

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Chairman

JD
5 September 2017

NOTE

Enquiries concerning this Recommendation should be in writing and addressed to John Deegan, Court Secretary.