



# Consignia Job Security

MANAGING THE SURPLUS FRAMEWORK





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### Commentary

**T**his booklet contains the full text of the National Managing the Surplus Framework Agreement between Consignia and the CWU. In July, 2001 Consignia gave notice that existing Job Security guarantees, agreements and terms would cease and proposed new Managing Surplus arrangements including a compulsory redundancy clause.

Following the threat of an industrial action ballot, in an agreement dated 13 December signed on the union's behalf by Deputy General Secretary (P) John Keggie and National Officers Martin Collins, Ray Ellis, Terry Pullinger and Dave Ward, Consignia agreed to extend this notice to enable further negotiations. Subsequently, further notice was given which expired on 18th March. The new Managing the Surplus Framework Agreement terms apply from that date.

The Agreement is the product of 200 hours of negotiation. It does not contain a compulsory redundancy clause – indeed, it provides enhanced protection for CWU represented grades against a background of unprecedented change in the Post Office.

#### **Scope of the Agreement**

The Agreement is intended to apply with effect from 18th March 2002 “at least for the period of major organisational change over the next few years”. It will be the subject of regular joint review.

It is important to note that questions of interpretation and principle relating to the Agreement are to be resolved by CWU Head Office and Consignia Group Centre rather than any individual Business Unit.

The Agreement is Consignia-wide and applies to all CWU represented grades. The Agreement “will apply in all cases where a surplus situation is expected to occur with a potential for redundancies which will warrant the application of statutory consultation and notification. It will also cover those

situations where redundancies are averted by the application of the principles of the MTSF at an earlier stage, prior to the point where statutory consultation would have been required. In all such cases the provisions of the policy contained within this framework will be applied. No employee will be disadvantaged or fail to be protected by the provisions of the MTSF policies because they have co-operated in early moves to other jobs or Businesses which have alleviated the need for application of later stages of the MTSF processes such as the need for voluntary redundancies.”

Therefore, it is not necessary for actual redundancies to take place for the full terms of the Agreement to apply: it should be applied in all cases where there is a surplus of staff in a Unit, however that surplus is resolved.

### **Consultation**

The Reducing the Surplus Agreement contains details of the consultative process.

Where reduction in the number of jobs is anticipated as a result of a planned change programme “this will be communicated prior to the decision being made and at least 6 months before it is due to take effect”. In the event that a change is as a result of a response, for example to the loss of a customer contract, as much notice as possible must be given before it is due to take effect (Paragraph1).

Where a Business Unit identifies that it is possible that they have or may have surplus employees, Paragraph 2 provides for appropriate measures to avoid an actual surplus.

Paragraph 3 specifies that where a surplus is projected the employee group into which the options set out are to be applied should be negotiated without delay with the appropriate CWU representatives. Statutory consultation will also take place by formal notification to CWU Head office.

Paragraph 8 deals with responsibility for agreeing redeployment units and preference exercises with the appropriate CWU representatives. In the event of any disagreement, the matter will be referred to Consignia Group Personnel and CWU Head Office for resolution (Paragraph 12).

There is no compulsory redundancy clause. Indeed, the introduction to Reducing the Surplus emphasises that “Consignia has an excellent record of avoiding compulsory redundancy and will strive to continue that record”. The approach to be taken in the event of an unresolved surplus is dealt with on Page 4 of Reducing the Surplus “Where it is identified during the statutory consultation period that full resolution of a surplus may not be achieved by application of measures to place employees into alternative jobs and identification of voluntary redundancy and some surplus staff will remain, Consignia Group Personnel and CWU Head Office commit to discussion to resolve unplaced surplus staff as early as possible following the commencement of statutory consultation... they will identify and seek to agree the necessary solution to the unplaced surplus staff and a timetable for the implication of

those solutions. Agreement to the timetable for the implementation of the agreed solutions will be completed within 6 weeks (which can be extended by mutual agreement) of the expiry of the minimum statutory consultation period.”

Thus, where it is believed that there is likely to be an unresolved surplus despite the application of the measures contained in this Agreement the timetable for the implementation of agreed solutions will be agreed within 6 weeks of the minimum statutory consultation period (which itself is 90 days). The formulation has been deliberately designed to maximise the period of time available to deal with an unresolved surplus (90 days plus 42 days plus agreed timetable).

### **Redeployment Process**

A crucial part of the package is an agreed redeployment process which ensures that those employees who wish to stay in the Business are offered suitable and reasonable alternative employment. This is dealt with in the section of Reducing the Surplus entitled “Redeployment Process”. The crucial issue arises where an employee does not believe that the job offered to them is reasonable or suitable. This is dealt with by a formal process involving Union representation at each stage, which in unresolved cases can culminate in reference (via Union Head Office) to an Appeal Panel, comprising a management appointee, a Union appointee and an independent Chair appointed ACAS.

Considerations which should be taken into account in determining the suitability/reasonableness of the job offer are outlined at Appendix A to the Reducing the Surplus document.

### **Resourcing Process**

The Resourcing Process details the mechanism by which jobs will be offered to employees. There are different processes for Admin grades (which includes Secretarial grades) and Operational (which includes Engineering grades). For Admin grades the process is very much based on the experience which has been gained in recent years by the operation of the matching model/Job Shop process and is designed to ensure transparency and fairness.

In respect of the process for Operational grades, Job Shop will be responsible for facilitating placement and will keep separate registers of the details of all surplus employees in Postal grades and Engineering and Technical grades. Surplus employees will be offered vacancies in “common seniority order”. Business Units will be required to check that there are no surplus employees before any other method of resourcing is considered and a Line Manager cannot refuse to accept surplus employees.

### **Bumping and Preference Policy**

This is designed to deal with those circumstances in which an employee who is not themselves surplus may leave Consignia on voluntary redundancy terms

where it would enable the direct placement of a surplus employee. It makes clear that the Employment Units and Preference Exercises must be agreed between the appropriate CWU representatives and the Business and in the event of any disagreement the matter is referred to Head Office level for quick resolution.

If following an initial Preference Exercise undertaken amongst employees in the appropriate Business and Location where a surplus has been agreed it appears that it would result in increased placement of surplus employees to run a second wider Preference Exercise amongst employees whose place of work is within a reasonable travel distance or journey time such an exercise may be agreed.

### **Pay Protection**

- Paragraph 5.2 and 5.3 of the pay protection policy confirms that basic pay will be protected in perpetuity for individuals blocking a lower graded position within their own business unit or moving to a lower paid position in another business unit as a result of a surplus situation.
- Paragraph 5.4 deals with the protection of pensionable allowances – the protection applies to pensionable allowances plus the non-pensionable element of RMSD night shift allowance. An individual aged under 50, or above 60 in receipt of the relevant allowance/allowances for 6 months or more would receive compensation on the sliding scale outlined in the paragraph, i.e. 6–12 months equals 3 months compensation, 12-24 months equals 6 months compensation, 24-36 months equals 12 months compensation, 36-48 months equals 18 months compensation etc. to a maximum of 4 years compensation.
- Compensation will be payable as a lump sum. There will be no claw-back if the individual subsequently qualifies again for payment of the allowance or leaves the business. An OPG on night shift for 2 years who came off a night shift as a result of a surplus situation would receive a payment of £3,234; if they had been on nights for 8 years or more they would receive a payment of £12,936.
- Paragraph 5.5 deals with protection of pensionable allowances for employees between the ages of 50 and 60. Individuals in this category would continue to receive pensionable allowances, plus the non-pensionable element of RMSD night shift payment until leaving the business or reaching pensionable age. There is thus a maximum of 10 years protection for over 50's in receipt of pensionable allowances which would otherwise be lost as a result of redeployment following a surplus situation.
- Paragraph 5.7 deals with protection of regional pay and provides for lump sum payment to be made to employees moving out of London as a result of a surplus to compensate for the loss of substantive retention of the regional element of pay ranges as follows; Inner to National – £7,000, Outer to National – £3,500, Inner to Outer – £3,200.

These payments will apply to individuals who transfer as a result of surplus as well as bulk transfer and current arrangements for mark-time pay will continue to apply. These payments will not be netted-off against other payments received in excess travel expenses.

In addition, if the employee is aged between 50 and 60 they will have the option of continuing to receive the current level of regional pay until age 60 in order to maximise protection of pensionable earnings, as an alternative to receiving the lump sum payment and mark time provision.

This means that there is no element of pensionable pay which is not fully protected for those over 50.

### **Voluntary Buy-Down of Grade**

Individuals who voluntarily accept a reduction in grade who do not wish to re-deploy back into their former substantive grade should a vacancy arise will have the choice of 2 years lump sum equivalent to the difference between their former grade and their new grade or mark-time pay for a period of 2 years.

### **Voluntary Buy-Down of Hours**

Individuals volunteering to reduce their hours in a surplus situation would receive a compensation payment based on the same formula as the calculation of redundancy compensation, pro-rata to hours given up. There will be no ceiling on this payment.

### **Excess travel expenses (ETE)**

Employees will be able to claim twice the difference between the cost of the journey from their home to their old location and their home to the new location for a period of 3 years from the date of transfer. Payments will be made 6 monthly in advance with a ceiling over 3 years of £15,000. There will be no netting-off against pay protection for regional payments.

Where no additional costs are incurred for travel but travelling time is increased by 15 minutes or more a day a lump sum payment of £800 will be payable (Para 5.6.1). In the event of a transfer not involving any excess costs or travelling time a lump sum payment of £150 is payable.

The cost of tolls are included in the calculation.

Excess travel expenses will be reviewed after 6 months with a guarantee of no reduction below the levels in the initial agreement.

### **Criteria for Voluntary Redundancy**

The position is this: where there is no excess of volunteers for redundancy anyone expressing that preference will be released;

In the event of an excess of volunteers those aged 55 and over would be released in seniority order;

In the event that this failed to clear the surplus those under 54 would be released in seniority order subject to a maximum total cost to the business of the equivalent of 2 years pensionable pay for any individual.

This two year cost ceiling will not apply in the case of P&E employees made surplus as a result of Project Apollo.

Release arrangements will be agreed locally according to principles set out in the document.

### **Voluntary Redundancy Terms**

Terms will be standard and will apply across the business.

Key areas to note are as follows:

- Eligibility for the terms commences after 2 years of employment.
- The minimum compensation is 6 months pay.
- The formula for calculating redundancy compensation will be 3 weeks pay for each year of the first 10 years of service, 4 weeks pay for each year thereafter and an additional 2 weeks for each year over the age of 40 subject to a maximum of 104 weeks. This improves the level of compensation for the first 5 years of service, from 2 to 3 weeks and has the effect of improving the compensation package by a total of 5 weeks pay for those with more than 10 years service.
- For the purposes of this calculation, fractions of a year will be rounded up providing on average a further 2 weeks compensation for those under 40 and an average of 3 weeks additional compensation for those above 40.
- UPAP will be included in the definition of pay reckonable for the calculation.
- Broken service will be aggregated.
- Unpaid maternity leave will be included in the calculation.
- The calculation for part-timers will be based on actual pay, rather than contractual hours.
- Abatement will cease to apply between the ages of 57 and 60.
- Those over 60 who are currently only entitled to 2 x statutory redundancy terms will now be entitled to Consignia terms. Abatement will now apply between the ages of 62 to 65 based on 1/36 abatement for each month after 62nd birthday.
- Terms for those who are members of the pension schemes who take early retirement over the age of 50 are unchanged.

### **Age of retirement**

Appendix 8 deals with the new policy on age retirement and retention. At 5.1 it confirms the achievement of the long standing policy of the Union that “for employment purposes only the normal retirement age will be regarded as 65”. The concept of retention for CWU grades who remain beyond age 60 will cease

to exist and those choosing to remain until their normal retirement age of 65 will be allowed to do so as a matter of right. Paragraphs 5.3.1, 5.3.2 and 5.3.3 confirm that individuals will still be able to leave and take their pensions at age 60 or opt to receive a pension at 60 and continue working or continue to pay contributions in order to accrue additional pension subject to existing pension plan and Inland Revenue rules and they will do so on their usual terms and conditions of employment and will not be subject to any periodic reports.

### **Summary**

The attached Agreement is the product of nearly 200 hours of negotiation. It reaffirms Consignia’s commitment to avoiding compulsory redundancy, reaffirms the role of the Union in the consultative process, in particular agreeing redeployment units, scope of Preference Exercises and representation of individual members. It puts in place an appeals mechanism against job offers considered unreasonable which ultimately leads to consideration by an Appeals Panel Chaired by an independent ACAS appointed Chairman. It provides the best protection of pay and allowances the Union has ever negotiated in any Business together with improved excess travel expenses and redundancy terms.

No Agreement is ever perfect but what has been negotiated achieves the prime objective of the Union in giving the maximum possible protection to members who want to stay in the Business whilst providing attractive terms for those who wish to leave. It is important to note that matters of interpretation will be resolved between Group Centre and CWU Head Office, rather than individual Business Units, as will issues relating to unresolved surpluses. The Agreement will be the subject of regular review and is expected to last at least for the period of major organisational change which is now underway. The Agreement gives the Union a vehicle to defend the interests of our members in a period of unprecedented upheaval.



**John Keggie**  
*Deputy General Secretary*



**Ray Ellis**  
*Assistant Secretary*



**Andy Furey**  
*Assistant Secretary*

# National Agreement between CWU & Consignia plc

## Managing the Surplus Framework – Administrative & Operational Grades

CWU and Consignia concluded a Heads of Agreement on 8th March 2002 on Consignia's proposals for Managing the Surplus Framework policies and processes relating to CWU represented Grades. Since then detailed discussions have taken place between the parties to finalise the precise wording. As a result detailed agreement has now been reached.

This agreement encompasses the Managing the Surplus policy (detailing the principles by which a surplus situation will be managed) and a number of subsidiary appendices relating to:

- Bumping and Preference Policy
- Pay Protection Policy
- Buy Down (Grade) Policy
- Buy Down (Hours) Policy
- Criteria for Offering Voluntary Redundancy
- Voluntary Redundancy (compensation) Terms
- Excess Travel Expenses Policy
- Age Retirement & Retention Policy

Additionally the agreement contains processes regarding Redeployment, Managing the Surplus, and Resourcing which are contained within agreed documents entitled:

- Reducing the Surplus
- Resourcing Process
- Roles and Responsibilities.

The Managing the Surplus Framework will be implemented with effect of 18 March 2002. It is intended to apply, at least for the period of major organisational change over the next few years, and will be the subject of regular joint review.

Any questions of interpretation or principles relating to this agreement will be resolved by CWU head office and Consignia Group Centre.

### For CWU

**Ray Ellis**  
*Assistant Secretary*

**Andy Furey**  
*Assistant Secretary*

**24th May 2002**

### For Consignia

**Peter Hall**  
*Head of HR Strategy and Policy*

**Geof Hansford-Adams**  
*Group HR Strategy and Policy Manager*

**Steve Mitchel**  
*Group Personnel*

# Managing the Surplus Framework Administrative and Operational Grades

Consignia plc

This Framework, which applies with effect from 18 March 2002, consists of a series of documents containing all the information relevant to the Consignia plc and CWU joint approach to the management of Surplus Employees and proposed redundancies in respect of all permanent Administrative and Operational Grades. For the avoidance of doubt this Framework does not apply to Administrative and Operational Grades on a temporary contract of whatever nature, including a “short-term temporary contract”. The Framework will always be deployed consistently with Consignia values and the principles set out in the Guide to Deployment of Managing the Surplus Framework. A glossary of terms used throughout the Framework follows.

The Managing the Surplus Framework (MTSF) will apply in all cases where a surplus situation is expected to occur with the potential for redundancies which will warrant the application of Statutory consultation and notifications. It will also cover those situations where redundancies are averted by the application of the principles of the MTSF at an earlier stage, prior to the point when statutory consultation would have been required. In all such cases the provisions of the policies contained within this framework will be applied. No employee will be disadvantaged or fail to be protected by the provisions of the MTSF policies because they have cooperated in early moves to other jobs or businesses which have alleviated the need for application of later stages of the MTSF processes such as the need for Voluntary Redundancies.

Consignia will review this Framework jointly with the CWU within twelve months of its implementation and in the light of experience and the prevailing commercial needs will make such amendments as are deemed necessary.

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Glossary of terms used in the Managing the Surplus Framework Administrative and Operational Grades

## Administrative Grades

Employees in administrative and analogous grades typically represented by the CWU. These include all LAs, POs, PAs and CSAs (irrespective of their work area) and those who may not be in what is deemed to be administrative work e.g. Call Centres or Counters and Cash Handling Centres, but whose work would be analogous to administration when seeking suitable alternative work. This includes counter clerks, typists, secretarial grades and IT administrative employees at the appropriate level.

## Blocking

This is the term used to describe a situation where an employee is performing a role, which is less than their substantive grade whilst still attracting the rate of pay associated with their substantive grade.

## Bumping

The situation where a volunteer who is not a Surplus Employee has (through a preference exercise) expressed an interest in Voluntary Redundancy and is replaced

by a Surplus Employee. In those circumstances, the employee who is replaced will leave Consignia by reason of redundancy on Voluntary Redundancy Terms.

### **Gaining Business Unit**

The Business Unit in which a Surplus Employee is ultimately placed into suitable alternative employment. This may be the same as the Parent Business Unit.

### **Jobshop**

Jobshop is a unit within Services Group whose role is to provide policy advice and support and the deployment of the processes contained within the Managing The Surplus Framework. It provides an Internal Agency role (including matching processes), people change advice and support, line management of staff whose jobs have ceased to exist, outplacement support, and strategic manpower data provision.

### **Managerial Grades**

Employees in jobs from grade ML5 or equivalent grades or pay bandings up to and including Band 7 (or equivalent). These employees are typically represented by the CMA.

### **Managing the Surplus Process**

The process described in the Managing the Surplus Policy.

### **Matching Model Database**

The 'Matching Model' is a database that enables Administrative and Managerial Surplus Employees to be matched against job vacancies. By inputting information about an employee such as work, home location, grade and skills, and vacancies (including any created by Bumping) the model can match individuals against suitable vacancies.

### **Operational Grades**

Employees typically represented by the CWU who are engaged in post person or analogous work or engineering technical grades. This includes security crews in Cash Handling and Distribution (CHD); postal operatives in Service Delivery (SD); and drivers and delivery staff in Packages and Express (P&E) and Logistic Solutions (LS).

### **Parent Business Unit**

The Business Unit that has ultimate responsibility for an employee immediately prior to that employee being declared to be a Surplus Employee.

### **PCA**

People Change Adviser

### **Redeployment Process**

The process by which the search for suitable alternative employment for Surplus Employees is conducted. The Redeployment Process is set out in Reducing the Surplus.

### **Surplus Employee**

A permanent employee whose current job has disappeared or will disappear within a known time frame, or who has been selected from a pool as surplus.

### **Voluntary Redundancy**

The situation where a Surplus Employee opts to leave Consignia on Voluntary Redundancy terms.

## **Managing the surplus policy**

This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

1. The aim of this policy is to provide clear direction on the way in which Surplus Employees will be managed throughout Consignia plc. It applies to all Administrative and Operational Grades.
2. This policy replaces the Postal Redundancy Agreement, the Job Security Agreements and any job security undertakings contained within any agreements, statements and policies across Consignia relating to the management of surplus staff. This policy sets out the way in which surplus employees and redundancy situations will be managed throughout Consignia. This policy applies from 18 March 2002.

The Reducing The Surplus policy replaces and revises earlier versions with effect of 18th March 2002

### **3. Policy Content**

There are eight subsidiary policies which are appendices to this Managing the Surplus policy. These are as follows: -

1. Bumping and Preference policy
2. Pay Protection policy
3. Buy down (grade) policy

- 4. Buy down (hours) policy
- 5. Criteria for offering Voluntary Redundancy
- 6. Voluntary Redundancy terms
- 7. Excess Travel Expenses policy
- 8. Age Retirement and Retention policy

These should be read in context with the Managing the Surplus Framework.

#### 4. Key Principles

- a) The process outlined below will be overseen and controlled by Group Centre (See “Roles and Responsibilities: Managing The Surplus”).
- b) Jobshop will be responsible for co-ordinating the efforts to identify and secure suitable alternative employment for Surplus Administrative Employees. Individual Business Units will have that responsibility initially for Operational Grades.
- c) People issues will be managed in accordance with the Managing the Surplus Framework and the principles contained within in the Consignia Purpose, Direction and Values statement.
- d) The emphasis of this policy is that suitable alternative employment will be offered wherever possible to Surplus Employees with the priority being to maximise placement of employees into vacancies within Consignia (using the Redeployment Process). In order to achieve this a number of policies allowing employees to revert to a lower grade (Appendix 3), or work less hours (Appendix 4), or to mitigate any negative impact on transfer from one Business Unit to another have been developed and are set out in the Appendices to this policy.
- e) Bumping will also be used to facilitate the placement of Surplus Employees in accordance with the policy at Appendix 1.
- f) A Consignia wide Excess Travel and Expenses (ETE) policy is at Appendix 7.
- g) Voluntary Redundancy will be offered in appropriate circumstances. Jobshop will assist in seeking external vacancies for those employees considering Voluntary Redundancy and training grants will be available for employees to undertake approved courses.
- h) Communication with employees and the trade unions is of paramount importance.
- i) Surplus Employees will be expected not to unreasonably refuse suitable alternative employment.
- j) This policy is part of the Managing the Surplus Framework and should be read in conjunction with all other documents which form part of it.
- k) The overriding interests of Consignia as a whole (as distinct from that of any individual Business Unit) will be the determining factor in all decisions made in accordance with this framework agreement.

- l) Consignia through its line managers and the People Change Advisor (PCA) Network will be responsible for ensuring all reasonably possible opportunities to find suitable alternative employment for Surplus Employees are pursued. Employees will also need to actively seek job opportunities and to take responsibility for their own development.

#### 5. Trade Union and Employee Consultation

- a) Consignia and the Trade Unions are committed to working together to adopt a more constructive partnership approach called Strategic Involvement. Strategic Involvement means working together on the strategic development of the Business. Regular consultation meetings will share information on Consignia’s current performance, trading position and future plans. This will also enable the CWU and the relevant Business Units to identify staffing and workload forecasts.
- b) Formal statutory notification must be given to the CWU headquarters representatives of affected employees (not necessarily just the Surplus Employees) at the commencement of the consultation period. Information will be provided and consultation will take place in accordance with legal requirements. Projects involving lengthy timescales should be the subject of consultation with the CWU whilst the plans are at a formative stage meaning that the statutory consultation period may be longer than the 90 days minimum.
- c) In addition, Surplus Employees will be consulted on an individual basis as appropriate. In particular they will be advised of the position, the reasons for it and the likely impact on their job.
- d) When a Business Unit identifies that it is likely to have Surplus Employees, this information will be shared with employees and the appropriate representatives of affected employees as soon as possible.
- e) Where an employee surplus is anticipated as a result of a planned change programme, e.g. a move of location or a concentration, which would have anyway been identified within the Business Unit Strategic Involvement forum with the CWU, this potential surplus will be communicated prior to the decision being made and at least 6 months before it is due to take effect. Where however a change is as a result of a response to e.g. a loss of a customer contract or a significant market downturn, as much notice as possible will be given before it is due to take effect.

#### 6 Managing The Surplus Process

Administrative and Operational Surplus Employees will be identified as early as possible and will be registered with Jobshop. Detailed databases of current and foreseen vacancies will be maintained by Jobshop in the case of Administrative Grades, in order to maximise the potential for redeployment. Jobshop and Business Units will jointly seek to identify job vacancy opportunities for Operational Grade

Surplus Employees.

Further detail is given in the Reducing the Surplus policy and Supporting You Through Change (which form part of this Framework) regarding the activities that will take place prior to step 1 occurring. Wherever possible a search for alternative employment opportunities will be carried out by the Business Unit as soon as a potential surplus situation is foreseen, in many cases prior to any individual Surplus Employee being identified.

### Step 1 Placement

- a) The search for suitable alternative employment within Consignia, for the identified Surplus Employee, will start as soon as possible.
- b) Employees will be matched against vacancies on the basis of the suitability of the job.
- c) Where an employee has been matched against a suitable vacancy and a reasonable training need is identified to facilitate placement, appropriate training will be provided.
- d) A Surplus Employee placed in an alternative post will be entitled to ETE in accordance with the policy at Appendix 7 and pay protection in accordance with Appendix 2, as appropriate.
- e) Employees will be expected to not unreasonably refuse an offer of suitable alternative employment. The process is defined within the Redeployment Process section of Reducing the Surplus.

### Step 2 Voluntary Redundancy

- a) If, not less than eleven weeks after the commencement of statutory consultation, the employee remains unplaced, and Consignia has explored the opportunities for suitable alternative jobs (including use of the Matching Model Database where appropriate) for at least three weeks, and he/she meets the Voluntary Redundancy criteria set out at Appendix 5, the employee will be offered Voluntary Redundancy payable on the terms set out at Appendix 6. Offers will normally remain open for four weeks, until the date that the proposed notice will commence. Any renewal of an offer after this date will be subject to the necessary concurrences being reviewed.
- b) Voluntary Redundancy will only be offered using the criteria at Appendix 5 and in accordance with the principles described in Roles and Responsibilities.
- c) If an employee accepts an offer of Voluntary Redundancy, he/she may apply to leave before any period of notice expires. A request from an employee to waive all or part of his/her notice period will not be unreasonably refused, subject to Consignia's ability to maintain its customer service.
- d) Outplacement support will be available for all employees who have been offered Voluntary Redundancy Terms (see Roles & Responsibilities).

### Unresolved Surplus

- a) Where it is identified during the statutory consultation period that full resolution of a surplus situation may not be achieved by application of measures to place employees into alternative jobs and identification of Voluntary Redundancy, and some Surplus Employee will remain, Consignia Group Personnel and the CWU Head-office commit to discussion to resolve unplaced surplus staff as early as possible following the commencement of statutory consultation.
- b) In these urgent discussions both parties will examine the situation to establish that all appropriate measures have been fully applied and ensure that an adequate solution is developed taking into account all reasonable measures. They will identify, and seek to agree, the necessary solutions for the unplaced surplus staff and a timetable for implementation of those solutions.
- c) Agreement to the timetable for the implementation of the agreed solutions will be completed within six weeks (which can be extended by mutual agreement) of the expiry of the minimum statutory consultation period. This further discussion will not delay the implementation of already identified staff moves, Voluntary Redundancy and other aspects of the planned change.

### 7 Document details

- 7.1 Enquiry point: Alison F White/ Jac Romo /Steve Mitchel / Geof Hansford-Adams
- 7.2 Effective from: 18 March 2002
- 7.3 Version: 1
- 7.4 Review date: 18 March 2003
- 7.5 BU(s) applicable to: All
- 7.6 Policy type Group Strategic

#### ■ Appendix 1

## Bumping & Preference Policy

This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework

### 1. Purpose

The aim of this policy is to provide clear direction on the way in which preference exercises and Bumping will be used throughout Consignia plc.

## 2. Audience

This policy applies to all permanent Administrative and Operational Grades.

## 3. Accountability

**3.1** Preference exercises and Bumping will be the responsibility of Personnel Directors of Service Delivery, Packages and Express, Logistics Solutions, and Cash Handling and Distribution working in conjunction with Jobshop for their Operational Grades. For all other cases including Administrative Grades in all Business Units it will be the responsibility of Jobshop in conjunction with the Business Units concerned.

**3.2** Personnel Directors and Resources Directors of all Business Units will have overall accountability for ensuring the success of cross Business Unit preferencing and Bumping where it is required in order to resolve a surplus staffing situation within any part of Consignia. They will ensure that full support is given to the Business Unit with the primary surplus, or Jobshop as appropriate throughout the process.

## 4. Communication

**4.1** Preference exercises will be conducted by either the Business Units in liaison with Jobshop (in the case of Operational Grades in SD, P&E, LS, and CHD) or by Jobshop, to identify areas of preference such as mobility, preparedness to work reduced hours etc and of those interested in possible Voluntary Redundancy that might facilitate placement of Surplus Employees by Bumping.

**4.2** The process and timing will be fully communicated to all interested parties for the particular exercise and all appropriate information will then be provided.

## 5. Policy

**5.1** Where it is in the interests of Consignia an employee (who is not a Surplus Employee) may leave Consignia on Voluntary Redundancy Terms where it would enable the direct placement of a Surplus Employee into his or her post.

**5.2** Wherever practicable and where vacancies are not otherwise available, efforts will be made to find jobs for Surplus Employees by the deployment of preferencing and a strictly controlled use of Bumping to identify volunteers for redundancy across all Business Units.

Agreeing redeployment units and preference exercises with the appropriate CWU representatives will be the responsibility of Personnel Directors of the Business Units concerned.

**5.3** When the re-deployment unit has been agreed, Preference Forms should be

sent with a suitable covering letter to all employees within it (including any employees on temporary promotion either within or whose temporary promotion has placed them outside of that re-deployment unit).

**5.4** In the unlikely event that agreement cannot be reached regarding the redeployment unit, the matter will urgently be referred to Consignia Group Personnel and CWU headquarters who will resolve the matter in no more than five working days.

**5.5** If, following an initial preference exercise undertaken amongst relevant employees in the appropriate Business Unit and location, it appears that it would be beneficial and result in increased placement of Surplus Employees to run a second and wider preference exercise to seek information on areas of preference such as Voluntary Redundancy, mobility, preparedness to work reduced hours etc. Business Units will be expected to do this either directly or through Jobshop. In the case of Administrative Grades this will be undertaken by Jobshop. For Operational Grades this will be undertaken by Business Units in liaison with Jobshop. (Standard Form 1.1.A is a sample preference exercise form).

**5.6** Where it is evident from the outset that sufficient volunteers will not be found from within the Business Unit and location concerned, and where time is restricted, a wider preference will be organised simultaneously. However no more than two locations / Business Units will be involved in a single Bumping arrangement involving two individuals.

**5.7** This wider preference exercise will be undertaken amongst all employees (in every Business Unit) of relevant grades<sup>1</sup> whose place of work is within a reasonable travelling distance or journey time of the location or locations of the relevant Surplus Employees.

**5.8** The details of **Operational Grades** who express interest in taking Voluntary Redundancy ("Volunteers") will be recorded by the Parent Business Unit and information relating to numbers, locations, skills and redundancy costs will be forwarded to the Business Unit who has the surplus staffing situation to resolve. The respective Business Units will jointly make appropriate concurrence and

<sup>1</sup> Relevant grades will include same grade, one grade below the grade of the potential Surplus Employees, and in certain specific circumstances may include one grade above (e.g. Operational Grade to operational front line ML5 or PED). In the latter case appointment to the higher grade would only occur when full assessment had been satisfactorily completed and where there is no suitable Surplus Employee at the substantive grade of the Volunteer.

confirmation arrangements for those concerned. Such information showing interest in leaving on Voluntary Redundancy will continue to be held by the employee's parent Business Unit and made available for any subsequent opportunities that occur, if not able to be applied in the current exercise. If the job of more than one Volunteer is suitable for a Surplus Employee, the Business Unit(s) ultimately responsible for those Volunteers will determine selection criteria in accordance with the guidance at section A.1 of Roles and Responsibilities: Managing the Surplus.

**5.9** The details of **Administrative Grades** who express interest in taking Voluntary Redundancy ("Volunteers") will be co-ordinated by Jobshop. In these cases Jobshop will arrange appropriate concurrences in conjunction with the Business Units concerned (see Standard Form 1.1.B Concurrence Form).

**5.10** The details of the jobs of relevant Administrative Grade Volunteers will be entered on to the Matching Model Database and run against those of Surplus Employees for whom it has previously been established that there are no job matches with vacant posts.

**5.11** Where the Matching Model identifies a match of an Administrative Grade Surplus Employee with one of those posts, details of the Surplus Employee will be sent to the Volunteer's line manager to assess suitability in accordance with the principles set out in the Redeployment and Resourcing Processes. Consideration must be given to the skills, experience and suitability, as well as to the cost of training, of the Surplus Employee and the cost of allowing the Volunteer to leave on Voluntary Redundancy Terms. If the job of more than one Volunteer is suitable for a Surplus Employee, the Business Unit(s) ultimately responsible for those Volunteers will determine selection criteria in accordance with the guidance at section A.1 of Roles and Responsibilities: Managing the Surplus. Where there is any dispute as to suitability, Jobshop will arbitrate.

Once entered on the Matching Model Database, the details of a Volunteer's job will remain there indefinitely.

**5.12** A Volunteer may at any time before accepting a formal offer to leave Consignia on Voluntary Redundancy Terms ask for the details of his/her job to be removed from the Matching Model Database or from the list held by his or her Business Unit. Job Shop will contact Volunteers whose details are on the Matching Model Database periodically to remind them of this fact.

**5.13** Should the Volunteer change his/her job, he/she must inform Job Shop who will remove his/her details from the Matching Model Database. If

appropriate (and at the discretion of his/her Business Unit) the details of the employee's new job may be entered on to the Matching Model Database by submitting a new Bumping Concurrence Form.

**5.14** Volunteers will not be disadvantaged in the furtherance of their career with Consignia or in any other way on the basis that they have expressed an interest in Voluntary Redundancy.

**5.15** The cost of releasing the Volunteer on Voluntary Redundancy Terms will be borne by the Parent Business Unit of the Surplus Employee who replaces that Volunteer.

## ■ Appendix 2

# Pay Protection Policy

**T**his document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

### 1. Purpose

The aim of this policy is to provide clear direction on the terms that will apply to Surplus Employees placed into positions which attract less favourable terms and conditions in terms of Pay, pensionable allowances and regional pay than they enjoy or enjoyed in their old job.

### 2. Audience

This policy applies to all Administrative and Operational Grades of Surplus Employees of Consignia plc.

### 3. Accountability

Personnel / Resources Directors of the Business Units will retain overall accountability throughout the process and for the application of the policy.

### 4. Communication

Affected employees will be individually notified by their PCA or Personnel Unit who will explain the terms available to them.

### 5. Policy

5.1 Every reasonable effort will be made to place an employee at his/her substantive grade and on equivalent terms, conditions and allowances; however there will be occasions where this is not possible.

5.2 A Surplus Employee who cannot be found a suitable alternative job on the same terms and conditions, or allowances and who is matched against a position that attracts less favourable terms and conditions or allowances, because the new job is either at:

- a) a lower grade in the same or a different Business Unit; or
- b) a broadly similar level in another Business Unit with different pay structures; or
- c) the same grade but which does not attract the same allowances or shift payments and would result in a reduction in pay or allowances will be entitled to the protections set out below:

5.3 (For the avoidance of doubt where an employee is already in receipt of reserved rights this will continue to apply for its full duration.)

#### ***Protection of Pay***

5.4 Following appointment to the new job the employee will remain on the Pay Rate of his/her substantive grade in his/her Parent Business Unit in perpetuity from the date of transfer.

#### ***Protection of Pensionable Allowances – Employees under age 50, or 60 and above***

5.4.1 Where the new job carried out by the employee, who is less than age 50, or age 60 or more, attracts a lower level of pensionable allowances (and non-pensionable element of Service Delivery Night Shift Allowance if appropriate) than that received in total by the employee in his/her old job and, at the date his/her job ceases, the employee has been fulfilling a role to which these allowances applied continuously for:

- a) more than six months but less than twelve months he /she will be entitled to receive a lump sum payment equivalent to three months payment of the difference between the level of allowances in the old job and the new job;
- b) twelve months or more but less than twenty four months he /she will be entitled to receive a lump sum payment equivalent to six months payment of the difference between the level of allowances in the old job and the new job.

5.4.2 A sliding scale calculation based on yearly increments will then apply in respect of a maximum of eight years receipt of these allowances when the employee will be entitled to receive a lump sum payment equivalent to four years payment of the difference. Receipt of these allowances for more than eight

years will not attract any additional payment.

5.4.3 Where the employee had been fulfilling the duty attracting pensionable allowances in his/her old job on a rotation basis payment, as set out above, will be made on a pro-rated basis.

5.4.4 There will be no requirement to recover such payments from the employee on leaving the business or returning to a higher level of earnings.

5.4.5 Any entitlement as a result of these protections will be set off against the amount of any increase in the employee's Pay which the employee enjoys by reason of redeployment into the new job.

#### ***5.5 Protection of Pensionable Allowances – Employees aged 50 or more but less than 60***

5.5.1 Employees who are aged 50 or more but less than 60, whose new job attracts a lower level of pensionable allowances (and non-pensionable element of Service Delivery Night Shift Allowance if applicable) than that received in total by the employee in his/her old job and, at the date his/her job ceases, the employee has been fulfilling a role to which these allowances applied continuously for more than six months, then he/she will continue to receive the difference between the old level of allowances and the new, as if they were still carrying out the previous role. This protection of allowance will continue for a maximum of ten years or until the employee is aged 60 whichever is the earlier.

5.5.2 Where the employee had been fulfilling the duty attracting pensionable allowances in his/her old job on a rotation basis, payment as set out above, will be made on a pro-rated basis.

5.5.3 Employees will be expected to take on responsibilities in the new job which attract equivalent pensionable allowances to those earned in their old job wherever possible.

5.5.4 Any entitlement as a result of these protections will be set off against the amount of any increase in the employee's pay, which the employee enjoys by reason of redeployment into the new job.

#### ***5.6 Overtime And Non Pensionable Allowances Protection (not including any non-pensionable element of Service Delivery Night Shift Allowance which is addressed in 5.4.1)***

5.6.1 Where an employee has earned overtime or non pensionable allowances in the 13 weeks (or 3 months dependent on whether paid weekly or monthly) immediately prior to the move of job, where there is a reduced opportunity for

overtime and other earnings he/she will receive a lump sum payment equivalent to the average difference of that last 13 week's overtime and allowances pay compared with the first 13 week's in that new job.

**5.6.2** Any entitlement as a result of these protections will be set off against the amount of any increase in the employee's pay, which the employee enjoys by reason of redeployment into the new job.

### **5.7 Protection of Regional Pay**

**5.7.1** Where the new job attracts a lesser amount of regional pay than the employee received in his/her old job and where the combined total of the Pay and Regional Pay of the new job are less than the combined Pay and Regional Pay in the old job a compensation payment will be made. A lump sum payment will be made, based on 3 times the difference between the combined Pay and Regional Pay of the old and the new jobs subject to a maximum of the rates as set out in a) to c) below. This lump sum will be paid in two equal annual instalments, the first payment being made with the employee's next salary payment following the end of his/her trial period and confirmation into the new job. All payments will be made less the usual deductions, including tax and employee national insurance contributions and will only be made where the employee is in employment on the date for payment.

- a) Move from Inner London to National pay area – £7,000
- b) Move from Outer London to National pay area – £3,500
- c) Move from Inner London to Outer London – £3,200

**5.7.2** For employees whose hours are less than full time the payment will be pro rata based on the employees contracted hours.

**5.7.3** Therefore where an employee moves to a new job in which the regional pay and basic pay together exceed the amount of the Regional Pay and basic Pay of the old job (whether or not a reduction in the regional pay element has occurred), no regional pay protection would be given.

**5.7.4** If, within two years after the transfer the employee leaves Consignia, or moves to an area with higher regional pay, any and all payments made will be recoverable in full. It is a condition of payment of the above sums that the employee agrees to such repayment and in particular that any outstanding monies may be deducted from monies owing to him/her by Consignia. (Standard Form 1.2.A contains wording for this employee agreement)

**5.7.5** In addition to the payments referred to above, the employee will continue to receive the regional pay element of his/her salary/wage in his/her old job

until such time as his level of Pay and regional pay in the new job (taken together) equates with or exceeds the level of Pay and regional pay he/she was receiving in his/her old job immediately prior to the transfer.

**5.7.6** Where the employee who is entitled to receive Protection of Regional Pay is aged between 50 and 60 he/she will have the option of continuing to receive the current level of regional pay until age 60 (maximum of 10 years) to maximise pensionable earnings, as an alternative to receiving the lump sum payments and mark time provision described above.

**5.7.7** Where an employee is entitled to receive an excess travelling payment, regional pay protection will not be netted against the ETE ceiling.

### **5.8 Additional Protection where new job is at a lower grade**

Where the new job is at lower grade efforts will continue to be made to place the employee at his/her former substantive grade. The search for suitable alternative employment at his/her former substantive grade will continue. The employee may opt to take Voluntary Redundancy as an alternative to taking a transfer to which this policy applies.

### **5.9 Costs**

The costs associated with this policy will be borne by the Parent Business Unit.

### **5.10 Movement to a job at a higher pay rate**

Where an employee is appointed to a post which is at a broadly similar level in another Business Unit but where the different pay structure will result in a higher Pay Rate than that he/she enjoys immediately prior to the transfer, the employee will transfer to the new structure at the incremental step which is immediately above his or her current actual Pay Rate.

## ■ Appendix 3

# Buy Down (grade) Policy

This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

## 1. Purpose

The aim of this policy is to provide clear direction on how voluntary reduction

in grade will be managed throughout Consignia plc.

## 2. Audience

This policy applies to all Administrative and Operational Grades.

## 3. Accountability

Personnel/Resources Directors of the Business Units will retain overall accountability throughout the process and for the application of the policy.

## 4. Communication

Preference exercises will identify those interested in possible buy down of grade to facilitate the placement of a Surplus Employee.

Where opportunities occur individuals will be contacted by Personnel Units or PCAs to discuss possible arrangements.

## 5. Policy

**5.1** An employee may be permitted to reduce his/her grade ("Buy-Down") where to do so would facilitate the placement of Surplus Employees

**5.2** Buy-Down will be on a voluntary basis and at the discretion of Consignia. It will involve a variation to the employee's contract of employment with no break in service.

**5.3** Where the employee elects to Buy-Down, he/she will (at his/her option) either:

**5.3.1** be paid a taxable lump sum payment equivalent to two years worth of the difference between the employee's Pay immediately prior to the transfer and the Pay applicable to the lower-graded new job as compensation ("the Compensation Payment"). Where this option is taken, the employee takes up the grade and all other terms and conditions of the new job immediately.

The Compensation Payment will be paid to the employee within 2 months of the employee's commencement of the new job.

Agreement to and receipt of the Compensation Payment will be subject to the employee's agreement that,

- a) upon termination of his/her employment for any reason whatsoever, or on promotion, during the period of two years immediately following the Compensation Payment ("the Compensation Period"), he/she will refund a proportion of the Compensation Payment to Consignia equivalent to the

unexpired portion of the Compensation Period; and

- b) any monies owing to him/her in this respect may be deducted from his/her wages/salary or any other payment due to be made from Consignia to him/her including any payment in respect of Voluntary Redundancy ( Standard Form 1.3.A contains a pro-forma employee agreement). Or:

**5.3.2** continue to receive the level of Pay that he/she was receiving immediately prior to the Buy-Down in the usual way for a period of two years following such Buy-Down ("the Reserved Rights Period"). At the end of the Reserved Rights Period, the employee will revert to the level of Pay for the lower grade (Standard Form 1.3.B contains a pro-forma employee agreement.)

**5.4** To minimise salary discrepancies, in such cases where the move is to a lower pay scale, the Pay to be applied in the new job should be the maximum of the grade of that new job.

**5.5** For the avoidance of doubt, all other terms and conditions of employment will be those of the lower grade and new job immediately following the Buy Down.

## ■ Appendix 4

# Buy Down (hours) Policy

This document forms part of the Managing the Surplus Framework- Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

## 1. Purpose

The aim of this policy is to provide clear direction on how voluntary reduction in hours will be managed throughout Consignia plc.

## 2. Audience

This policy applies to all Administrative and Operational Grades.

## 3. Accountability

Personnel / Resources Directors of the Business Units will retain overall accountability throughout the process and for the application of the policy.

## 4. Communication

4.1 Preference exercises will identify those interested in possible reduction in hours to facilitate placement of Surplus Employees.

4.2 Where opportunities occur individuals will be contacted by Personnel Units or PCAs to discuss possible arrangements.

## 5. Policy

5.1 An employee may be permitted to reduce his/her hours ("Buy Down") where to do so would facilitate the placement of Surplus Employees.

5.2 All such Buy Downs will be on a voluntary basis and at the discretion of Consignia.

5.3 In consideration for agreeing to such reduction in hours, the employee will be paid compensation ("the Compensation Payment").

5.4 The Compensation Payment will be an amount equivalent to the compensation otherwise payable to the employee in accordance with the Voluntary Redundancy Terms multiplied by A/B where

A = the employee's contracted hours immediately prior to the Buy Down less the employee's contracted hours immediately following the Buy Down, and

B = the employee's contracted hours immediately prior to the Buy Down.

5.5 The Compensation Payment will be paid to the employee with salary within 2 months following the Buy Down and will be subject to deductions for tax and employee National Insurance Contributions in the usual way.

5.6 The relevant Business Unit will issue the employee with a new contract of employment setting out the employee's new terms and conditions of employment following the Buy Down.

5.7 If the employee is a member of the Consignia Pension Plan membership of the Plan, will continue uninterrupted albeit on pro rata part time contributions and accrual of benefits, subject to the Rules and Trust Deed relating to the Plan.

5.8 Agreement to the Buy Down and receipt of the Compensation Payment will be subject to the employee's agreement that,

b) upon termination of his/her employment, except by reason of redundancy or on increasing working hours or returning to full time work on a permanent basis, during the period of two years immediately following the Buy Down ("the Compensation Period"), he/she will refund a proportion of the Compensation Payment to Consignia equivalent to the unexpired portion of the Compensation Period; and

c) any monies owing in this respect may be deducted from his/her wages/salary or any other payment due to be made from Consignia to him/her upon the termination of his/her employment, including any payment in respect of Voluntary Redundancy ( Standard Form 1.4.A contains a pro-forma)

5.9 Any hours worked in excess of the contracted hours, where the employee is in a grade that attracts overtime rates, will be at the flat hourly rate unless the total number of hours worked exceed what would constitute the normal full time hours. Overtime, paid in excess of the full time hours, will then be at the appropriate premium rate.

### ■ Appendix 5

## Criteria for Offering Voluntary Redundancy

This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

Voluntary Redundancy will be considered against the following criteria subject to the overriding requirement that it is commercially viable, and that offers of Voluntary Redundancy must be appropriate to and in the commercial and economic interests of Consignia. (Standard Form 1.5.A. contains a Voluntary Redundancy Concurrence Form.)

### 1. That it is a legitimate and demonstrable redundancy

1.1. That the employee is a Surplus Employee or a volunteer for Bumping.

1.2. Where Bumping occurs a clear audit trail must form part of the submission.

1.3. All reasonable efforts have been made to place the employee into suitable alternative employment and no such employment has been unreasonably refused by the employee.

1.4. That offering Voluntary Redundancy will result in a genuine headcount reduction that can be evidenced for audit purposes and a vacancy will not be permanently backfilled other than by a Surplus Employee in a Bumping situation.

1.5. That the employee would not in any event have resigned or retired, or been dismissed by any application of Personnel processes such as NCI, IPP, Conduct or Attendance procedures.

## 2. Skills are not in short supply

2.1. That the skills, knowledge and experience of the employee can be removed without impacting on business performance.

2.2. That the employee being considered does not have skills and capabilities which are known to be in short supply or that are known or expected to be required within the near future.

### Selection

Release arrangements should initially be from the location and grades affected. These will be agreed locally reflecting business needs (such as the need to reflect an appropriate mix of skills and experience), and take into account age, seniority, costs, and individual preferences and personal circumstances.

In a surplus situation where there is an over subscription of volunteers for redundancy the following sequence for selection will apply. First volunteers will be selected in seniority order from relevant employees aged 55 years and over. If there is still a need for volunteers, offers of voluntary redundancy will then be extended in seniority order to employees aged 54 and below subject to the requirement that Voluntary Redundancy will not be offered in such situations where the total cost (which can include redundancy compensation, immediate payment of pension, and pension enhancement) exceeds two years pay. (Pay is as defined in Annex 2 of VR Compensation Terms, Appendix 6 of the Managing the Surplus Policy.)

Where there is no excess of volunteers for Voluntary Redundancy no cost ceiling will be applied.

## ■ Appendix 6

# Voluntary Redundancy Terms

This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

These Voluntary Redundancy Terms apply to all permanent Administrative and Operational Grades. Payments under these terms are deemed to exhaust and include any statutory entitlement of an employee, although the minimum compensation payment payable will be an amount equivalent to the employee's Statutory Redundancy Payment entitlement (see Annex 1).

This document summarises various benefits under the Consignia Pension Plan ("the Plan") and the Consignia Retirement Savings Plan ("the Savings Plan") which are both governed by formal legal documents. In the event of a conflict between the Trust Deeds governing the plans and this summary, the Trust Deeds must prevail.

### 1. Employees with less than two years' aggregate service

Employees with less than two years' Aggregate Service<sup>1</sup> are not eligible to receive any compensation but will generally have any contributions to the Plan or the Savings Plan refunded, subject to Inland Revenue rules and the Rules of whichever plan he/she has joined.

### 2. Employees with two or more years' aggregate service

The minimum compensation payment for employees under 65 with two or more years' Aggregate Service will be 6 months' (26 weeks in the case of weekly paid employees) Pay<sup>2</sup>, subject to the provisions for abatement for employees' aged 62 and over as indicated below.

#### 2.1 Employees under 60 who have never been members of either plan

<sup>1</sup> "Aggregate Service" means the employee's continuous service at the date of termination of his/her employment, plus any previous periods of permanent service for Consignia plc (and prior to 26 March 2001, The Post Office). It will not include any time worked in a casual capacity or any previous period of service upon the termination of which the employee received a redundancy or other severance payment or any period spent on a career break (including any periods worked). For the avoidance of doubt, periods spent on maternity leave, whether statutory or contractual and whether paid or unpaid and periods of employment prior to age 18 will count towards an employee's Aggregate Service.

<sup>2</sup> See Annex 2

## Compensation

Compensation will be based on Aggregate Service irrespective of age and will be subject to a maximum of two years' Pay, calculated as follows:

Aggregate Service	Compensation
In respect of Years 1-10	3 weeks' Pay per complete year of service (plus an additional 3 weeks for any part of a year)
In respect of Years 11+	4 weeks' Pay per complete year of service (plus an additional 4 weeks for any part of a year)

Plus 2 weeks' Pay for each complete year of Aggregate Service after 40th birthday and an additional 2 weeks' Pay for any part of a year of Aggregate Service after age 40.

For example, an employee with 15 years' Aggregate Service whose date of termination of employment is 1 May 2003 and having turned 40 on 1 November 2000 would calculate his/her compensation as follows:

Years 1-10	10 years at 3 weeks	= 30 weeks
Years 11+	5 years at 4 weeks	= 24 weeks
PLUS	2 years over 40 at 2 weeks	= 6 weeks

**Total entitlement:** payment equivalent to 60 weeks' Pay

## 2.2 Employees under 60 who have opted out of the plan

### 2.2.1 with less than 2 years' *qualifying service*<sup>3</sup> in the plan

Compensation as set out at 2.1 above.

### 2.2.2 with 2 years' or more *qualifying service* in the plan

Compensation as set out in 2.1 above and a deferred pension subject to the Rules of the Plan.

### 2.3 Employees aged under 50 who are members of the plans

#### 2.3.1 Members of section A of the plan<sup>4</sup>

**Only applicable to employees under age 50 who have been in unbroken Plan membership since before 1st December 1971 and have not yet opted for Section B benefits.**

## Pension

Pension benefits deferred until age 60 except that at any time from age 50 a member can opt for early payment of deferred benefits immediately on an actuarially reduced basis. Such an option cannot be exercised if the resulting pension would be below the level of his or her **Guaranteed Minimum Pension**.

NOTE: Under Section A, benefits are based on Pensionable Pay reduced by 6%. Section A members can opt to join Section B within six months of leaving the Plan, whichever is the earlier. However, such election will result in any lump sum entitlement received under Section B being reduced by the amount of any lump sum received under Section A rules.

## Compensation

A lump sum compensation payment immediately calculated on the basis of:

One month's **Pensionable Pay x Reckonable Service**; plus  
One month's **Pensionable Pay x Reckonable Service** given after the later of the date that the member completed five years' Reckonable Service and his or her 30th birthday; plus

<sup>3</sup> The terms in **bold italics** are explained in the detailed guides for members of the Plan. The Plan is governed by formal legal documents and in the event of a conflict between the Trust Deed and this summary, the Trust Deed must prevail.

<sup>4</sup> The terms in **bold italics** in this section are explained in the detailed guide for members of Sections A/B of the Plan. The Plan is governed by formal legal documents and in the event of a conflict between the Trust Deed and this summary, the Trust Deed must prevail.

An additional one month's **Pensionable Pay x Reckonable Service** after his or her 35th birthday.

The maximum amount that a member can receive is three years **Pensionable Pay**. Fractions of a year are reckoned pro rata for compensation and pension benefits.

**“Section A mobiles”** If the employee was a manager as at 1 April 1987, his or her redundancy benefits are subject to review following the recent BT High Court judgement. In the event that further benefits become payable under the terms of the Trust Deed, this will be communicated to employees at the earliest opportunity once the legal position becomes clear.

### **2.3.2** Members of sections B or C of the plan

Compensation as set out at 2.1 above and a deferred pension subject to the Rules of the Plan.

### **2.3.3** Members of the savings plan<sup>5</sup>

#### **Compensation**

Compensation as set out in at 2.1 above.

#### **Pension**

The member's Personal Account can be transferred to another pension scheme or remain in the Savings Plan until retirement subject to the Rules of the Savings Plan. For the avoidance of doubt, no contribution is made to the Savings Plan or any personal pension to provide additional benefits on voluntary Redundancy.

## **2.4 Employees aged 50-59 who are members of the plans**

### **2.4.1** Members of sections A/B of the plan (formerly POSSS)<sup>6</sup>

#### **Pension**

Immediate payment of pension benefits based on Pensionable Pay and Reckonable Service<sup>5</sup>;

*5 The terms in bold italics in this section are explained in the detailed guide for members of the Savings Plan. The Savings Plan is governed by formal legal documents and, in the event of a conflict between the Trust Deed and this summary, the Trust Deed must prevail.*

*6 The terms in bold italics in this section are explained in the detailed guide for members of Sections A/B of the Plan. The Plan is governed by formal legal documents and, in the event of a conflict between the Trust Deed and this summary, the Trust Deed must prevail.*

**Plus** enhancement of Reckonable Service by the lower of 6 2/3 years (pro-rata according to the hours worked in the case of part-time employees) or that which could have been attained if service had continued to 60, provided that in no case shall Reckonable Service be increased to more than double its length and subject to Inland Revenue limits and the Rules of the Plan.

#### **Compensation**

*Either:* a compensation payment equivalent to 6 months' Pay;

*Or:* Statutory Redundancy Payment; whichever is greater.

### **2.4.2** Members of section C of the plan (formerly POPS)<sup>7</sup>

#### **Less than five years continuous service**

Compensation as at 2.1 above and a deferred pension subject to the Rules of the Plan

#### **Five years or more continuous service**

#### **Pension**

Immediate payment of pension benefits based on Pensionable Pay and Pensionable Service.

**Plus** enhancement of Pensionable Service by the purchase by Consignia plc of the lower of 6 2/3 years (pro-rata according to the hours worked in the case of part-time employees) or that which could have been attained if service had continued to 60, provided that in no case shall Pensionable Service be increased to more than double its length and subject to Inland Revenue limits and the Rules of the Plan.

#### **Compensation**

*Either:* a compensation payment equivalent to 6 months' pay);

*Or:* Statutory Redundancy Payment; whichever is greater.

### **2.4.3** Members of the savings plan<sup>8</sup>

*7 The terms in bold italics in this section are explained in the detailed guide for members of Section C of the Plan. The Plan is governed by formal legal documents and, in the event of a conflict between the Trust Deed and this summary, the Trust Deed must prevail.*

*8 The terms in bold italics in this section are explained in the detailed guide for members of the Savings Plan. The Savings Plan is governed by formal legal documents and, in the event of a conflict between the Trust Deed and this summary, the Trust Deed must prevail.*

### Compensation

Compensation as set out at 2.1 above.

### Pension

A member aged over 50 leaving before normal retirement age can transfer his or her **Personal Account** to another pension scheme or leave their **Personal Account** in the Savings Plan until normal retirement age subject to the Rules of the Savings Plan. At any time from age 50, a member who has left Consignia employment may apply to use the value of the **Personal Account** to provide retirement benefits subject to the agreement of Consignia. For the avoidance of doubt, no contribution is made to the Savings Plan or any personal pension to provide additional benefits on redundancy.

### 2.5 Employees aged 60 years and over who are members of the plans

#### Pension

Immediate payment of pension benefits if not already taken for members of the Plans.

#### Compensation

As set out at paragraph 2.1 above (reduced by 1/36 for each month or part month of service after age 62), subject to the payment being no less than Statutory Redundancy Payment payable.

### 2.6 Employees aged 60 years and over who are not members of the plans

#### Compensation

As set out at paragraph 2.1 above (reduced by 1/36 for each month or part month of service after age 62), subject to the payment being no less than Statutory Redundancy Payment payable.

## ■ Annex 1

# Calculation of Statutory Redundancy Payments

Currently Statutory Redundancy Payments are calculated as follows:

- \_ week's pay for each year of service from age 18 to 21 inclusive
- 1 week's pay for each year of service from age 22 to 40 inclusive
- 1 \_ weeks' pay for each year of service from age 41

An employee is not entitled to a statutory redundancy payment once he/she has reached normal retiring age or 65 whichever is the earlier.

Between the ages of 64 and 65, the statutory redundancy payment is reduced by 1/12th for each complete month of service following the employee's 64th birthday. Only service after age 18 is counted, the maximum continuous service that may be taken into account is the last 20 years and a week's pay is presently capped at £250 (as at February 2002).

## ■ Annex 2

"Pay" means all of those payments and allowances made to the employee which are pensionable (except any lump-sum payment, including but not limited to, a payment under the Pay Protection Policy, buy-down payment or bonus payment, whether pensionable or not), plus any Unconsolidated Permanent Addition to Pay ("UPAP") payable to the employee and will be calculated as being the average rate payable to the employee during the six months immediately prior to the date of termination of employment ("the Calculation Period").

Where an employee has received a payment under a Buy-Down Policy, the Calculation Period will be reduced to cover only the period since either:

- (a) the Buy-Down (where that occurred during the Calculation Period); or,
- (b) the change in hours (where an employee has increased his/her hours such that he/she would be required to refund any portion of a Buy-Down lump-sum payment) whichever is later.

Where an employee is on a career break immediately prior to the termination of his/her employment, the Calculation Period will be the six-month period immediately prior to the start of the career break.

Periods spent on maternity leave or long-term sick absence at any time during the relevant Calculation Period will be treated as if the employee was at work for the purposes of calculating Pay.

## Excess Travel Expenses Policy

This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

### 1. Purpose

The aim of this policy is to set out the terms for excess travel expense payments (“ETE Payments”) incurred as a result of any transfer where ETE is appropriate or where an employee is travelling to a new work location to which they have permanently transferred as a result of the Managing the Surplus Policy in order to take up suitable alternative employment.

### 2. Audience

This policy applies to all permanent Administrative and Operational Grades.

### 3. Accountability

Personnel/Resources Directors of the Business Units will retain overall accountability throughout the process and for the application of the policy.

### 4. Key Principles

4.1 People issues will be handled under the principles in the Consignia Purpose, Direction and Values statement.

4.2 The overriding interests of Consignia as a whole (as distinct from that of any individual Business Unit) will be the determining factor in all decisions made.

### 5. Policy

5.1 Employees will be able to claim TWICE the difference between the cost of the journey from their home to their old location and their home to the new location (“Excess Cost”) for a period of three years from the date of their transfer.

5.2 The amount claimed will not change during the three-year period, unless the employee moves home or transfers again during that time, or if they cease to incur the extra costs (e.g. they are able to get to work with a lift from a colleague).

5.3 Payment will be made with salaries or wages. Tax and national insurance will be deducted from the amount paid.

5.4 ETE Payments will normally be made six monthly in advance. The maximum amount payable over three years will be £15,000<sup>5</sup>. An employee entitled to receive an ETE payment can request that this sum is paid as a single up front lump sum payment (which will still be subject to NI deductions, and taxation as a beneficial loan). Such advance payment will be discounted by 12.5%.

### 5.5

5.5.1 If an employee leaves Consignia (including Voluntary Redundancy) during the three year period to which this payment applies, or moves to a location which attracts less ETE, he / she will be required to repay a proportion of the net ETE payment to Consignia equivalent to the unexpired proportion of the three year period.

5.5.2 It is a condition of payment of the above sums that the employee agrees to re-payment and in particular that any outstanding monies may be deducted from monies to him / her by Consignia

5.5.3 The payment is not income to the employee for tax purposes at the time of payment. In essence, the payment is being abated day by day until the expiry of the three-year period.

5.5.4 An example of how the tax would be calculated: -

*If £9,000 of excess fares covering a three year period is paid on 12 April 02. The Inland Revenue would tax the £9,000 equally over three complete tax years starting with the following tax year to which the payment is made.*

£3,000 in 2003/2004

£3,000 in 2004/2005

£3,000 in 2005/2006

National Insurance will be collected by a third of the original payment, £3,000, being added to the employee’s pay for the pay period the year after the payment was made, April 2003. The national Insurance contributions due on the pay plus the notional adjustment must be paid over to the Revenue for that period. This will be repeated in April 2004 and 2005

<sup>5</sup>The amounts paid and all other aspects of the ETE policy will be reviewed by CWU and Consignia Group Personnel within six months of implementation, i.e. by September 2002.

### 5.5.5 Beneficial Loan

A lump sum excess fares payment with a payback clause also qualifies as a beneficial loan for tax purposes on the basis that there is no interest to pay on it. A Beneficial loan is only applicable where the amount outstanding at any point during a given tax year exceeds £5,000. All loans from the employer must be aggregated to establish whether the £5,000 ceiling has been breached.

Beneficial loan is calculated by adding the amount outstanding at the beginning of the tax year to the amount outstanding at the end of the tax year and dividing by two to establish an average loan figure. The average loan figure is then subjected to the Inland Revenue's rate of interest for a beneficial loan, currently 5%. For beneficial loan purposes on a three year excess fares payment, it is assumed that a third of the payment is abated on the anniversary of the payment being given.

Example of a beneficial loan: -

Tax year 2002/03

Balance outstanding at the start of the tax year, 6 April 2002 – £9,000

Balance outstanding at the end of the tax year, 5 April 2003 – £9,000.

Total £18,000 which divided by 2 = £9,000 average loan figure.

£9,000 @ 5% = £450.00 taxable benefit

The above gives the figure for the complete year but this will be pro-rated because the payment was only made on 11 April 2002.

Tax year 2003/04

Balance outstanding at the start of the tax year £9,000

Balance outstanding at the end of the tax year £6,000 (a third of the payment i.e.: £3,000 abated on the 11 April 2003)

Total £15,000 divided by 2 = £7,500 average loan

£7,500 @ 5% = £375.00 taxable benefit

Tax year 2004/05

Balance outstanding at the start of the tax year £6,000

Balance outstanding at the end of the tax year £3,000 (further abatement took place on 11 April 2004)

Total £9,000 divided by 2 = £4,500 average loan

£4,500 @ 5% = £225.00 taxable benefit

Tax year 2005/06

No beneficial loan due as the balance never exceeds £5,000 for the tax year.

5.6 ETE payments will not be reduced to reflect any pay protection provided within the Managing the Surplus Framework. E.g. Where an employee is entitled to receive Protection of Regional Pay this sum will not affect the amount of Excess Travelling payment he/she is entitled to receive.

5.7 Payments will cease after more than three weeks' absence from the new location other than annual leave (e.g. working away from the office, on continuous paid or unpaid Special Leave including maternity leave, sick leave, career breaks etc.) when additional travelling costs will not be incurred. Payments will resume upon the original terms upon the employees return to work. Payments will not be made in respect of any periods of industrial action taken by the employee.

### 5.8 Additional travelling time<sup>2</sup>

Where commuting costs from home to the new work location are lower or the same as commuting costs to the old work location, or where ETE produce an amount (over three years) of less than £800, a one-off taxable lump sum payment of £800 will be made on transfer if the journey to the new work location takes more than an additional 15 minutes each way compared with the journey from home to the old location.

5.8.1 This payment will be based on each employee's journey to work and may not be pooled or aggregated in any way.

5.8.2 Payment will not be made if an employee is in receipt of ETE or relocation assistance but where that claim would have been less than £800 this payment will be made in its place.

5.8.3 For the avoidance of doubt the employee will under no circumstances be entitled to claim both additional travelling time payment and ETE. The £800 will be repayable in full if the employee leaves Consignia employment or transfers again within a year following transfer.

### 5.9 Change in work location payment<sup>3</sup>

Where an employee is not entitled to any ETE payment or Additional Travelling Time payment, as described in section 5.5 above, but is

<sup>2</sup> It is assumed that all payments under these provisions will be subject to Taxation and National Insurance deductions

<sup>3</sup> It is assumed that all payments under these provisions will be subject to Taxation and National Insurance deductions

transferring to another work location under the terms of this framework, a one off non-pensionable payment of £150 will be made after transfer.

### 5.10 Calculation of Excess Cost

Excess Cost is calculated on the basis of the difference between the cost of a quarterly (bus or rail) season ticket for both the old and new journeys. If the employee travels by private vehicle their claim will still normally have to be calculated using the quarterly season ticket rates unless the cost of their travel by private vehicle is cheaper, in which case they will be reimbursed for their travel by private vehicle on the basis set out below.

If the employee's journey is particularly difficult by public transport their line manager may authorise the payment of excess mileage:

- a) *if the employee has a personal contract or Job Need Car*: the appropriate (petrol/diesel/turbo-diesel) fuel-only mileage rate applies
- b) *if the employee does not have a business vehicle (i.e. they use their own private vehicle)*: the lower standard vehicle mileage rate (petrol/diesel/turbo-diesel/motorcycle/cycle) for the first 45 miles of their total daily journey (i.e. the combined outward and return journey from home), plus the appropriate fuel-only rate thereafter for any excess miles over 45 per day applies.

However the costs are calculated, the same rates to compare the old and new journeys must be used. Only fares or mileage as described above can be included in the calculations. Car parking charges must not be included. Tolls will be included.

If mileage rates are used to calculate Excess Cost the formula to calculate the payment is:

- a) Excess miles per week x appropriate rate(s) as above per mile x 46 weeks per year
- b) This amount reduced by any area adjustment (see following section)
- c) This amount is then doubled, and then divided by 2 to arrive at the six monthly advance payment, which will then be paid for a period of three years.

ETE payments will not be made after the end of the period of three years from the date of transfer.

### 5.11 Maternity leave provision

In cases where a woman is absent on maternity leave during the ETE payment period, the payment period will be extended by the length of her maternity leave on the basis that she is not paid ETE payments in respect of the period of maternity leave.

### 5.12 *If the employee moves home during the three year payment period*

The amount claimed will be recalculated by comparing the cost of the original home to work journey with the cost of the new journey. Calculation of the Excess Cost is based on the fares that would have been paid to the new location at the time of the original transfer. The employee can still claim twice the difference for the remainder of the original three year period, but the new claim after the move must not be more than the old one, i.e. it can only be the same or less. Note that this applies only to moves of home that are privately funded – if the employee subsequently moves home within a relocation package (i.e. due to a subsequent long distance move of job) then any entitlement to ETE payments would cease at that point.

### 5.13 **If the employee is transferred again**

If already claiming ETE payments for a transfer during the last three years, the amount will have to be recalculated when the employee transfers to their new location. The new rate will depend on whether the cost of the journey from home to the new location is more or less than the cost of the travel to the location to which they originally transferred.

If the cost of the new journey is MORE, they will be able to claim the existing amount for the remainder of the original three year period, and an additional amount equivalent to twice the difference between the Excess Cost of the travel from their home to the new location and the cost of travel from home to the location they originally transferred to. Costs will be calculated at current fares or mileage rates and the new amount will be paid for three years from the new date of transfer.

If the cost of the new journey is LESS (but still more than the home to office journey BEFORE the transfer) the amount that can be claimed will be recalculated using the fares or mileage rates which were in force when they first transferred, and the new amount will be paid for the rest of the original three year period.

### 5.14 *If the employee has chosen to commute instead of moving home and subsequently changes his/her mind*

In some circumstances the employee may be entitled to home relocation assistance. If they were entitled to a house move and chose not to relocate (for whatever reason), they may at a later date change their mind. They will have twelve months from the date of transfer to change their original decision, after that, they will lose any entitlement to relocation funding. The total ETE payment received will be deducted from the total amount of relocation assistance for which they are eligible.

In no circumstances will an ETE payment be made where Consignia has contributed to the cost of relocation.

## ■ Appendix 8

# Age Retirement and Retention Policy

**T**his document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

### 1. Purpose

The aim of this policy is to set out the approach to be taken by all Business Units in Consignia plc for retirement and retention of Administrative and Operational Grades.

### 2. Audience

This policy applies to all Administrative and Operational Grades.

### 3. Accountability

Personnel/Human Resources Directors will retain overall accountability for the application of this policy.

### 4. Communication

Affected employees will be individually notified by their Personnel Unit of the options available to them as they approach age 60.

### 5. Policy

**5.1 For employment purposes only, the retirement age will be regarded as being 65.**

#### 5.2 Retention

The concept of retention for Administrative and Operational Grades who remain beyond age 60 will, after the introduction of this policy, cease to exist as will the practice of seeking approval to be retained and of periodic reports after age 60. Any retained employee at the date of implementation of this policy will be converted to substantive status, and notified accordingly.

### 5.3 Retirement

**5.3.1** The normal retirement age for pension purposes remains unchanged at age 60. However, an employee who remains after age 60 and is a member of the Consignia Pension Plan or Retirement Savings Plan will continue paying contributions in order to accrue additional pension (subject to paragraph 5.3.3 below).

**5.3.2** With appropriate notice, an employee (who is or has been a member of either Plan) may leave at any time after age 60 and on request receive an immediate and unreduced pension.

**5.3.3** On request, an employee with 'continued rights' in the Consignia Pension Plan may stop paying contributions and receive an unreduced pension at age 60 notwithstanding that he/she continues to be employed by Consignia. In order to qualify for 'continued rights' for the purposes of this policy, the employee must have joined the Pension Plan prior to 1 June 1989 and have been in unbroken membership since that date.

**5.3.4** The provisions of this policy set out in paragraphs 5.3.1, 5.3.2 and 5.3.3 are subject to the Rules of the relevant Plan and Inland Revenue limits.

**5.3.5** Employees over the age of 60 will not be eligible for any benefits under the Ill Health Retirement policy.

## Reducing the Surplus – Administrative and Operational Grades

**T**his document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.

### Introduction

This policy applies to all Administrative and Operational grades of employees of Consignia.

*The Redeployment Process and the Managing the Surplus Process will run in parallel and will overlap with each other to differing degrees depending on the circumstances of each case. The timeframes set out in the Managing the Surplus Process, therefore, will continue running whilst the Redeployment Process is followed.*

As a result of the continuing structural changes made to Consignia, there is likely to continue to be a considerable number of unplaced employees.

Consignia has an excellent record of avoiding compulsory redundancy and will strive to continue that record. In turn all employees can help in that aim by co-operating with changes and by taking a flexible and open minded approach to acquiring new skills and moving into alternative or new jobs. Every effort will be made to enable those who wish to remain within their current Business Unit to do so where possible, but it is inevitable that some employees will need to be offered alternative employment within Consignia.

It is neither in the interest of the unplaced employee nor cost-effective for Consignia to maintain a significant surplus. Therefore, Consignia aims to reduce any surplus as quickly and sensitively as possible in line with overarching manpower projections.

To date, Consignia has:

- funded voluntary redundancy, enabling many of those made surplus as a result of restructuring to leave Consignia;
- introduced stringent control mechanisms for all resourcing activities so that those not initially placed in a templated role are considered for suitable alternative employment (either with or without training) and given preference when filling vacancies, subject to its obligations under the Disability Discrimination Act 1995.

Notwithstanding these measures Consignia needs to continue to minimise the number of unplaced employees. To achieve this Consignia will expect employees to accept reasonable alternative employment within Consignia.

### **Purpose**

The purpose of this paper is to provide a:

- standard process for achieving maximum redeployment of Surplus Employees.
- standard process for managing steps 1 and 2 of the Managing the Surplus Policy
- standard process (including appeal mechanisms) for dealing with unreasonable refusals of suitable alternative employment.
- process to deal with unresolved surplus.

### **Managing the surplus process**

The Managing the Surplus Process will commence upon completion of the following: -

1. Where a reduction in the number of jobs is anticipated as a result of a planned change programme, e.g. a move of location or a concentration,

which would have been identified within the Business Unit Strategic Involvement forum with the CWU, this will be communicated prior to the decision being made and at least six months before it is due to take effect. Where however a change is as a result of a response to e.g. a loss of a customer contract or a significant market downturn, as much notice as possible will be given before it is due to take effect.

2. Each Business Unit will identify as early as possible that they have or may have Surplus Employees. In areas where manpower data indicates a potential surplus of employees, a review of recruitment will take place as soon as possible and consideration should be given to: -
  - Adjustment of employee resourcing through natural wastage
  - Regulation of recruitment, and levels of overtime.
  - Permanent or temporary redeployment
  - Employment of Consignia staff on work carried out by contract labour.
3. Where a surplus is projected, the employee group into which the options set out below are to be applied should be negotiated without delay with the appropriate CWU representatives, having regard to the grade, skills, and locations of the surplus employees and the opportunities for alternative work.
4. The Business Unit informs Jobshop.
5. The Business Unit commences statutory consultation by formally notifying the Headquarters of the respective Trade Union. Detailed guidance for Business Units on statutory consultation appears in Guide to Deployment of Managing the Surplus Framework.
6. Consideration will also be given to a number of activities that will facilitate the management of surplus. These will include voluntary conversion from full to part time working, adjustments to levels of overtime and scheduled attendance, reversion of temporary promotees, preferencing and bumping, voluntary redundancy and voluntary regrading.
7. A search for alternative employment opportunities will be carried out by the Business Unit as soon as a potential surplus situation is foreseen. This should commence prior to any individual surplus employee being identified.
8. Agreeing redeployment units and preference exercises with the appropriate CWU representatives will be the responsibility of Personnel Directors of the Business Units concerned.
9. For Operational grades the Business Unit in liaison with Jobshop will

conduct a preference exercise. For Administrative grades Jobshop will conduct the preference exercise.

10. If it appears that it would facilitate increased placement of Surplus Employees to run a second and wider preference exercise (either subsequently or simultaneously) to identify potential volunteers for redundancy or to buy down their grade or hours, this will be done in accordance with the Bumping and Preference Policy. (Appendix 1 of the Managing the Surplus Policy).
11. When the re-deployment unit has been agreed, Preference Forms (An example can be found at Standard Form 1.1.A) should be sent with a suitable covering letter to all employees within it (including any employees on temporary promotion either within or whose temporary promotion has placed them outside of that re-deployment unit).
12. In the unlikely event that agreement cannot be reached regarding the redeployment unit, the matter will urgently be referred to Consignia Group Personnel and CWU headquarters who will resolve the matter in no more than five working days.
13. Personnel Directors/Resources Directors of all Business Units will retain overall accountability for ensuring full support is given to the lead Business Unit (in the case of Operational Grades) or Jobshop (in all other cases) throughout the process to ensure the success of cross Business Unit preferencing where it is required in order to resolve a surplus staffing situation within any part of Consignia.
14. After an employee has been identified by his/her Parent Business Unit as a Surplus Employee (or as part of a group from which there will be Surplus Employees) he/she will be notified of this by his/her line manager. (Standard Form 5.B should be used.)
15. Surplus Employees will be notified of the details of the PCA allocated to him/her.

#### **Step 1 – Placement**

1. An initial meeting will take place between the Surplus Employee and his/her PCA. If the employee wishes he or she may be accompanied by his/her Trade Union representative at this and any subsequent meetings in steps 1 and 2. At the meeting:
  - a) the employee will be given a copy of the appropriate sections of the

Managing the Surplus Framework;

- b) the PCA will explain the Managing the Surplus Process and how it applies;
  - c) the employee's preferences will be reviewed and an initial action plan drawn up; and
  - d) the PCA will make the employee aware of any suitable vacancies of which he/she knows, notwithstanding that the employee is not yet registered on any database.
2. Immediately after that meeting the PCA will ensure that the employee is registered on the appropriate database.
  3. The PCA's primary role at this stage will be to facilitate placement of Surplus Employees into suitable alternative employment in accordance with the Redeployment Process. Any training needs to assist placement will be identified.
  4. During step 1 the employee will be provided with details of the Voluntary Redundancy Terms that may subsequently be offered to him/her. This will allow him/her to consider all possible options.

#### **Step 2 – Voluntary Redundancy**

1. If, not less than eleven weeks after commencement of statutory consultation, the employee:
  - a) remains unplaced; and
  - b) Consignia has explored the opportunities for suitable alternative jobs (including use of the Matching Model Database) for at least three weeks; and
  - c) meets the "Criteria for Offering Voluntary Redundancy" (Appendix 5 to the Managing the Surplus Policy),

Jobshop will write to him/her offering Voluntary Redundancy. (see Standard Form 4.A for an example of the letter of offer of Voluntary Redundancy)

2. The Voluntary Redundancy Terms are in Appendix 6 of the Managing the Surplus Policy.
3. An employee offered Voluntary Redundancy will have a defined period in which to accept that offer, failing which the offer will expire. Any renewal of this offer would be subject to review of the concurrences and confirmation that the employee could still not be found a suitable alternative job and if appropriate to recalculation of the offer based on a revised date of employment termination.
4. Once statutory consultation has been completed the PCA will commence a

period of formal individual consultation with the employee. Details of this can be found in the Guide to Deployment of Managing the Surplus Framework.

5. Only once the statutory and individual consultation periods are completed can termination notice be given to the employee taking Voluntary Redundancy.
6. If an employee accepts an offer of Voluntary Redundancy he/she may apply to leave before any period of notice expires and any such request will not be unreasonably refused. In those circumstances, where the job has not ceased, the employee will waive his/her right to unexpired notice.
7. Efforts to find suitable alternative employment (if requested by the employee) will continue throughout any period of notice. If a suitable job is found after notice has been given (but before employment terminates) the employee will be given the choice of leaving on Voluntary Redundancy Terms or of accepting that alternative job. (If the terms and conditions of employment differ, the employee will be able to perform the job on a trial basis.)
8. Employees who have had their request for Voluntary Redundancy approved may wish to pursue a relevant training qualification externally which will help them find a job. In such cases Consignia will normally make available up to £500 (plus VAT) against invoices to fund approved courses. Exceptionally up to £1,000 (plus VAT) may be considered where a particular training programme is specifically related and necessary to the career the employee intends to pursue.

### **Unresolved Surplus**

Where it is identified during the statutory consultation period that full resolution of a surplus situation may not be achieved by application of measures to place employees into alternative jobs and identification of Voluntary Redundancy, and some surplus staff will remain, Consignia Group Personnel and the CWU Head-office commit to discussion to resolve unplaced surplus staff as early as possible following the commencement of statutory consultation.

In these urgent discussions both parties will examine the situation to establish that all appropriate measures have been fully applied and ensure that an adequate solution is developed taking into account all reasonable measures. They will identify, and seek to agree, the necessary solutions for the unplaced surplus staff and a timetable for implementation of those solutions.

Agreement to the timetable for the implementation of the agreed solutions will be completed within six weeks (which can be extended by mutual agreement) of the expiry of the minimum statutory consultation period. This further discussion will not delay the implementation of already identified staff moves, Voluntary Redundancy and other aspects of the planned change.

### **Line Management of Surplus Employees**

For as long as a Surplus Employee remains in his/her current job they will continue to be line managed by the Parent Business Unit. Once the Surplus Employees job comes to an end and he/she has not been successfully redeployed, line management of that employee will transfer to Jobshop. The employee will retain their terms and conditions and receive any subsequent increases in pay and related matters in their former BU for as long as they remain in Jobshop.

### **Redeployment process**

The emphasis of the Managing the Surplus Policy is that suitable alternative employment will be offered wherever possible to Surplus Employees with the priority being to maximise placement of employees into vacancies (including by use of the Bumping and Preference Policy).

1. Employees are expected to accept an offer of suitable alternative employment where it is reasonable to do so and where the alternative job offered is expected to last for a period of not less than twelve months. In exceptional circumstances employees may be willing to work in a job which it is known is likely to disappear in a short period of time. In those circumstances it may be agreed with the employee that he/she takes that position, but that the search for suitable alternative employment on a permanent basis continues.
2. For Administrative grades, the skills, geographical location and grade details of every Surplus Employee will be compared centrally with those of actual and expected vacancies (including any potential vacancies created as a result of Bumping) using the Matching Model Database. For Operational Grades employees this will be facilitated by Jobshop in conjunction with the other BU's employing similar grades of employees (SD, P&E, LS, and CHD).
3. Jobshop (in the light of the considerations at Appendix A) will work with the Surplus Employee towards achieving a successful redeployment. If all parties agree that the proposed appointment is appropriate the placement is confirmed. The appropriate appendices to the Managing the Surplus Policy will apply.

4. Surplus Employees on maternity leave and long-term sick leave will be treated in the same way as all employees, in particular as regards consultation and in searching for and placing them into alternative employment, to the extent this is practicably possible. This is subject to the requirement to offer Surplus Employees on maternity leave any suitable (as that term is specifically used in the context of women on maternity leave – see para 5 below) alternative employment in preference to other Surplus Employees. (See Appendix A)
5. In accordance with legislative requirements, a Surplus Employee on maternity leave must be offered suitable alternative employment if it is available. Providing the work to be done is suitable in relation to the woman and appropriate for her to do and its terms and conditions as to capacity, place of employment and otherwise are not substantially less favourable to her, then she will be offered the position **in preference** to other Surplus Employees.
6. All employees on career breaks will be informed of any surplus situations within their Business Unit. Any of those employees whose career break is due to end within three months of a surplus situation being identified will be included automatically in the Managing the Surplus Process.
7. Where the contractual terms and conditions of the new job differ in any way from those of the employee's old or current employment (apart from very minor or trivial) then the employee will be allowed a trial period of four weeks at the beginning of that new job. The primary purpose of the trial period is to allow the employee to confirm that the new job is suitable. Further information and a standard form of letter regarding trial periods can be found at Appendix B and Forms 4.B. and 4.C. of Standard forms in Section 8 of the Framework respectively.
8. Where an employee has been matched with a suitable vacancy and a training need is identified to facilitate placement, appropriate training will be provided. Where a trial period needs to be extended to incorporate the necessary training the PCA will make the appropriate arrangements.  
The length and terms of all trial periods will be confirmed in writing with the employee before the trial begins. Where the trial is for a period of more than four weeks this will be agreed in advance between the employee and the PCA.
9. Should an employee indicate an unwillingness to accept a proposed job the following steps will be applied in sequence: -
  - a) The PCA will formally discuss with the employee the likely appointment and identify any difficulties that the employee may have. The employee will be advised of their right to be accompanied at the discussion by the trade union representative or by a colleague from the same location.
  - b) The PCA will consider the issues raised, make any necessary enquiries, and put the results of the enquiries to the employee. If requested the employee may be accompanied by the Trade Union representative or by a colleague from the same location at that latter meeting. That meeting will have three possible outcomes. Either the:
    - i) employee decides to take the job either permanently, for an agreed temporary period, or on a trial basis; or
    - ii) PCA agrees with the employee that the job is not suitable; or
    - iii) employee persists in refusing the job.
 Additionally at that meeting the employee must be advised that failure to accept a job offer, which is considered by Consignia to be both suitable and reasonable, is likely to lead to that individual being dismissed due to redundancy without compensation. Guidance as to determining what is suitable and reasonable is at Appendix A
  - c) If the employee decides to take the job either on trial, on an agreed temporary period, or on a permanent basis, the PCA will confirm the decision to the employee in writing, and to the Gaining Business Unit.
  - d) If the PCA agrees with the employee that the job is not suitable then he/she will return to his/her old job or the Matching Model Database and the search for alternative employment will continue. (Standard Form 4.D is a sample letter to employees who have reasonably refused alternative employment.)
  - e) In the event that the employee persists in refusing the appointment, the PCA will refer the matter to the appropriate senior Jobshop Manager (the person identified by Jobshop as having the authority to deal with such cases, or in the case of an employee where the line management remains in the Business Unit, the matter being referred to the Senior Personnel Manager of the appropriate Business Unit. In this instance the following process will be carried out by the Business Unit Senior Personnel Manager and all further references to the Senior Jobshop manager be re-read accordingly). (Standard Form 4.E is a sample letter to an Employee who is unreasonably refusing alternative employment.)
  - f) The senior Jobshop Manager will interview the employee (if requested, the employee may be accompanied by the Trade Union representative or by a colleague from the same location). The senior Jobshop Manager will explain the reasons for the PCA's decision and, if that decision is held to be reasonable, the consequences of continuing with that refusal. The employee will be given the opportunity to make any representations that he/she wishes. The Senior Jobshop Manager will make clear to the individual that if

there are any personal circumstances that are pertinent to the case, these must be disclosed. The employee will be advised that if there is information which has not been disclosed than it will not be possible to raise this after the Jobshop Manager has made their decision, nor can new information be taken into account in any subsequent appeal. If the employee has reasons that are of a sensitive and personal nature that they are reluctant to disclose, they should be made aware of the provision of Employee Health Services

- g)** There then follows a period of five working days during which:
  - i)** the employee should reconsider his/her position; and
  - ii)** the senior Jobshop manager will notify the designated representative of the CWU (a list of appropriate designated representatives will be provided by CWU, and held by Jobshop), who may wish to discuss the matter with the senior Jobshop Manager; and
  - iii)** the senior Jobshop Manager will consider the representations made by and on behalf of the employee and where appropriate discuss these and other relevant factors with the designated representative of the CWU before making a decision. In the unlikely event that the parties cannot agree whether the job offer is reasonable, the senior Jobshop manager will make the decision on behalf of Consignia.
- h)** Following that five working day period the senior Jobshop Manager will write to the employee confirming his/her decision as to whether the alternative employment is suitable and if so whether it is reasonable for the employee to refuse the appointment together with reasons for that decision.
  - i)** If the senior Jobshop Manager's decision is that it is reasonable for the employee to refuse the appointment, the PCA will continue to search for suitable alternative employment.
  - ii)** If the senior Jobshop Manager's decision is that it is unreasonable for the employee to refuse the appointment, they will also advise CWU head office. The employee is given a further 3 working days to confirm whether he/she will accept the appointment. At this stage, the employee will be advised that after this 3 working day period the job vacancy that they have been considered for, will be released to be filled by another available employee. Beyond this stage, the employee should be advised that they do not have the opportunity to change their mind and to decide to take the job that has been offered. Jobshop though will continue to look for suitable jobs for the employee. (Standard Form 4.F is a sample letter to an Employee who has unreasonably refused alternative employment.)
- i)** If the employee then decides to take the job either on trial, an agreed temporary basis (in which case the search for suitable alternative employment will continue) or on a permanent basis, the PCA will confirm the position to the employee and to the Gaining Business Unit in writing.
- j)** If after the 3 working days period, the employee continues to refuse the

position, or has failed to respond, the employee will be advised that by unreasonably turning down a suitable job, he/she has forfeited their right to any compensation upon termination of his/her employment by reason of redundancy.

- k)** Simultaneous to this communication to the employee, a copy will be sent to CWU head office, who may refer the matter to the Independent Appeals Panel.
- l)** CWU will only refer cases to the Appeals Panel exceptionally. This is not designed as the normal course of events but one to seek to ensure successful resolution in situations where the CWU and Consignia are fundamentally at odds in a particular case.
- m)** Where an employee is found to have unreasonably refused an offer of suitable alternative employment, he/she will be given notice of termination of his/her employment at the appropriate time (and not before the completion of statutory and individual consultation) and his/her eventual dismissal will be without any compensation. (See Standard Forms 4.G which is a letter confirming Forfeiture of Compensation and 4.H is a notice of dismissal.
- n)** Upon receipt of such notice, the employee will have one right of appeal against dismissal on the grounds that either the decision constitutes unlawful discrimination or there has been a procedural error in the application of the process or there is no genuine redundancy. An appeal must be lodged within five working days of receipt of the notice of dismissal. The search for suitable alternative employment will continue up until the last day of service.
- o)** The appeals panel will consist of a senior Personnel Manager nominated by Consignia, a Trade Union nominee identified by CWU Head office, and a nominee from ACAS who will act as Chair.
- p)** Group Personnel will set up the panel as soon as practicable, in liaison with Jobshop.
- q)** The panel will review the reasonableness of the job offer. They will consider the information that the employee and the representative have already submitted during the previous stages of the process. They will not consider any new information that was not previously made available to the Senior Jobshop Manager. Exceptionally, it is recognised that an individual may have circumstances of an extremely sensitive and personal nature that he/she felt they were not able to disclose previously. In such cases the Panel would have to consider whether there was adequate reason for withholding this information and whether it is now appropriate to allow this to be taken into account.
- r)** Where there are a number of cases relating to a particular location, and work group, these cases where appropriate may be considered collectively.
- s)** The panel will reach a decision, and make their recommendation to Consignia who would be expected to abide by its decision, however the

final decision will always ultimately rest with Consignia.

- t) If the decision of the panel is that the job offer was reasonable, and therefore that the employee's refusal was unreasonable, the employee will receive formal confirmation of the appeal decision. The employee will be allowed no further right of appeal.
- u) If the decision of the panel is that the job offer was not reasonable, and therefore the employee's refusal was reasonable, the PCA will continue to search for suitable alternative employment.
- v) Whichever appeals process is applied, all efforts will be made to complete the appeal before the expiry of the employee's notice period. Where that is not possible, the employee's notice period will be extended accordingly.

**Full documentation must be maintained throughout the process. This includes keeping copies of all meeting notes, letters and other documentation generated (e.g. notes of interviews, placement letters).**

## ■ Appendix A

# Considerations – Individual cases

The purpose of the Matching Model Database, for Administrative and Management employees is to identify suitable alternative employment for Surplus Employees. As a computer program, however, it can only work with certain variables and will not take into account the subtleties of an individual's personal circumstances.

It is therefore incumbent upon PCAs to consider the vacancies against which a particular employee is matched and, by talking with the employee concerned, exercise their own judgment as to whether a vacancy is in fact a suitable alternative job and, if it is, and the employee refuses to be put forward for it, whether such refusal is reasonable.

It is useful (and indeed is the practice of the Employment Tribunal) to consider the questions of suitability and reasonableness separately. In theory, under suitability the question to be asked is whether, on an objective assessment, the nature of the job offered makes it a suitable match for the particular employee; the question of reasonableness arises when the job itself is suitable, but for other reasons the employee turns it down.

Set out below are the factors to be taken into account when determining the suitability of a particular job and the reasonableness of an employee's refusal of it. The first seven are generally considered to relate to the question of suitability and the remainder, reasonableness, but, as mentioned above, it is likely that certain factors will be relevant to the other or both.

The questions under the headings are examples only of what it might be

relevant to consider. In each case the PCA will have to exercise his/her judgment as to how significant an individual factor is.

### **Nature of the Work**

Is the job one that the individual could reasonably be expected to do in terms of his/her age, experience, and qualifications?

### **Pay and Earning Opportunities**

Is the employee going to be offered similar earning opportunities as in their previous contract? Will he/she be significantly worse off?

### **Hours /Attendance Patterns**

Are the hours significantly longer or shorter? Is the pattern of hours different? What are the prospects for overtime by comparison with the existing job?

### **Working Conditions**

Are the working conditions suitable e.g. access for a disabled person?

### **Place of Work**

Bear in mind the provisions for relocation and ETE payments. How much more travelling would be involved? Ability to arrive on time?

### **Travel**

The individual's personal circumstances should be taken into account and their travel requirements balanced with the availability of public transport links, distance involved and the complexity of making the journey.

### **Status/Prospects**

Would the job offered amount to a significant loss of status or job / career prospects? The presumption will be that a match against a vacancy in a Business Unit under consideration for outsourcing will not for that reason alone be considered unsuitable. Employees in those circumstances will have the protection of TUPE.

### **Domestic Circumstances**

Does the employee have children of school age who he/she does not want to move? Does he/she need to be located near to elderly parents because of caring responsibilities?

### **Health/Medical Grounds**

Whether an employee has health reasons which would make a particular job unsuitable or difficult.

## Maternity leave – Special Considerations

Where a woman on maternity leave is or becomes a Surplus Employee, she is entitled to and should be offered *any* suitable alternative vacancy that exists, even if there are other Surplus or Redundant Employees for whom that vacancy would be suitable. In accordance with legislative requirements, a vacancy will be deemed suitable in these circumstances where it involves work of a kind suitable in relation to that woman and appropriate for her to do in all the circumstances (including the fact of her having had a child) and the terms and conditions as to capacity, place of employment and otherwise are not substantially less favourable than she enjoys in the job which is to disappear.

### ■ Appendix B

## Trial Periods

The purpose of a trial period is to allow a Surplus Employee the opportunity to try out a job that has been proposed as alternative employment but that in some way has different terms and conditions to the employee's old job before making a final decision. Because of the very many different individual circumstances that can arise, trial periods may take place before the employee's old job has come to an end as well as at the very beginning of the new job.

The law about trial periods is very complex and you are encouraged to seek advice at an early stage from Legal Services if there is any doubt as to the correct position to adopt.

The following general principles apply: -

1. No redundancy payment (including statutory redundancy pay) will be made if an employee has **unreasonably** refused suitable alternative employment during or after a trial period.
2. A redundancy payment will be available if an employee has **reasonably** refused suitable alternative employment during or after a trial and there is no other alternative employment available.
3. If the terms and conditions between the two jobs differ, an employee is always entitled to a trial period when his old job actually ends and the new job starts. This trial period will be for a period of four weeks unless a longer period is agreed in advance for re-training the employee for the new job. The employee may have already had an informal trial period in the new job before making the decision to accept it and formally move. Even

so, he gets another trial period at this stage (see letter at 4.B.). In the circumstances, of course, it would be extremely unlikely that if during the second trial period he/she decided to refuse the job this would be a reasonable refusal.

## Roles and Responsibilities: Managing the Surplus

*This document forms part of the Managing the Surplus Framework – Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.*

### Scope

This paper is mandatory for all Business Units in so far as they are implementing the Managing the Surplus Framework. This paper comes into effect from 18 March 2002.

### Purpose

The purpose of this paper is to: -

- a) identify the roles, responsibilities, and ownership of the key steps by Group Centre, Jobshop and Business Units in deploying the Managing the Surplus Framework;
- b) ensure all decision-makers are aware of the minimum legal standards defined for line management of Surplus Employees which must be deployed consistently Consignia wide; and
- c) identify the primary purpose of Jobshop.

## A) Roles, Responsibilities and the Ownership of Key Steps in Deployment of Managing the Surplus Framework

### 1. Identification of Surplus by Business Unit and communication to Jobshop

Each Business Unit will have responsibility for identifying that they have or will have Surplus Employees as early as possible. Business Units must ensure that they consider alternative approaches to headcount reductions, and have a clear rationale for the preferred approach. The considerations and rationale must be documented. Such identification should take place at least 15 weeks prior to the events that will result in the surplus (e.g. closure of an office). This will allow for the Managing the Surplus Framework to be fully implemented and for it to be completed to coincide with the cessation of the employee's job. **It must be understood that where the employee's job will cease earlier than 90 days from the identification of surplus (and**

**the commencement of statutory consultation), a period of 90 days plus a period for employee consultation will still be required to elapse before notice of dismissal on grounds of (voluntary) redundancy is given.**

If a Business Unit has to choose who will be declared Surplus from a group of employees (e.g. the number of employees required at a particular site is reduced by one third) or which volunteers for Bumping will be released, the legal responsibility of the Business Unit is to ensure that the selection criteria are always:-

- fair
- objective
- not unlawfully discriminatory
- reasonable and
- consistently applied.

Business Units should always seek legal advice from Legal Services when drafting selection criteria and Jobshop approval of selection criteria will be required prior to implementation. The criteria must also be notified to the relevant Trade Unions prior to implementation and any representations by the Unions will be considered.

Immediately that a surplus is identified, the Business Unit informs Jobshop that it has or will have Surplus Employees. (Standard Form 5.A should be used.)

## **2. Jobshop notification to Department of Trade and Industry (DTI) and Trade Union**

Upon receipt of the form 5.A from the Business Unit, Jobshop will :-

- Notify the DTI on Form HR1.
- Copy the HR1 to the relevant Trade Union
- Notify the relevant Trade Union that the Parent Business Unit will, if it has not already, shortly commence statutory consultation (notwithstanding the numbers of employees involved) and that Group Centre Personnel has a supportive and an overseeing role throughout that consultation period. Details of the statutory consultation process can be found in the Guide to Deployment of Managing the Surplus Framework.

## **3. Business Units inform and consult Trade Union**

The Business Unit will be responsible for conducting the statutory consultation, subsequent to formal notification being given to the Trade Union as in section two above. Guidance is in the Guide to Deployment of Managing the Surplus Framework.

## **4. Business Unit to notify employees**

The Business Unit will communicate to those employees who are likely to be affected by it, that a potential surplus situation exists as soon as that situation is identified. After consultation with individual employees, in particular as regards selection (where appropriate), the Business Unit will formally confirm to each relevant individual employee, that he/she is a Surplus Employee and notify him/her that they will be contacted by Jobshop. (Standard Form 5.B should be used.)

## **5. Offer of Voluntary Redundancy**

All offers of Voluntary Redundancy will be authorised by Jobshop by reference to the published criteria. Jobshop will be responsible for all associated administration.

## **6. Individual consultation prior to notice of termination**

It is the responsibility of Jobshop to conduct a period of individual consultation with any employees who remain surplus on conclusion of the statutory consultation process. Guidance on the conduct of this individual consultation is in the Guide to Deployment of Managing the Surplus Framework.

## **B) Line Management of Surplus Employees**

For as long as a Surplus Employee remains in his/her current job they will continue to be line managed by the Parent Business Unit. Once the Surplus Employee's job comes to an end and he/she has not been successfully redeployed, line management of that employee will transfer to Jobshop. It is the responsibility of whoever line manages the Surplus Employee to: -

- Have day-to-day line management control of them.
- Bear the costs of supporting the employees during this period and any costs of placement (e.g. training/relocation).
- Bear the cost of any provisions necessary in accordance with the Pay Protection Policy at Appendix 2 of the Managing the Surplus Policy
- Ensure appropriate support is afforded to the employee in line with the practices set out in Supporting You Through Change.

Jobshop will also arrange in respect of all employees to: -

- support, advise and counsel Surplus Employees through the Managing the Surplus Process.
- identify either through the relevant databases, or on the basis of their general knowledge of vacancies, redeployment opportunities for unplaced employees and arrange placement.
- co-ordinate appropriate training to enable a smooth transition for employees transferring into vacancies in other functions/businesses.

## C. JOBSHOP

Jobshop has been designed to carry out the following roles for all the Business Units within Consignia.

### Administrative Grades

#### 1. Managing the Surplus – Matching and Resourcing

- Managing matching model processes including maintaining current lists of vacancies, Surplus Employees, and ‘blockers’.
- Running the Matching Model database to identify vacancies for Surplus Employees.
- Controlling resourcing across Consignia to ensure no external recruitment which could duplicate resources already available.
- Providing concurrence to fill vacancies when there are no suitable internal candidates registered with Jobshop, initially through internal advertising in the Gazette, and then by external advertising.
- Identifying individuals who should be offered VR and managing the concurrence process
- Ensuring processes are managed to protect Consignia against loss of key skills
- Providing support and guidance to Surplus Employees who are on notice to leave on VR
- Managing those external suppliers contracted to provide Consignia with an outplacement service
- Notifying the DTI of potential job losses on form HR1 and notify the Trade Unions of the imminent commencement of statutory consultation over the reduction in manpower requirements.

#### 2. Line managing the unresolved Surplus Employees who have opted not to accept VR

- Identifying and allocating project work to Surplus Employees of at least three months duration (where appropriate).
- Actioning the employee’s development plan to improve their skills and enhance their chances of future employment (both within Consignia and externally).
- Providing a first line of contact for Surplus Employees, including line management responsibilities e.g. authorising annual leave
- Continuing the search for redeployment
- Supporting Surplus Employees through outplacement services to find jobs in the external market.

#### 3. Managing the Surplus – managing preferences and bumping redundancy

- Identifying staff in other Business Units to establish Bumping opportunities, including planning and carrying out preference exercises
- Managing the transfers and the Bumping redundancy
- upporting BUs through the preference process

#### For Operational Grades

- Providing outplacement support to Operational Grades leaving on VR.
- Collating management information on headcount and redundancy costs
- Transferring unresolved surplus Operational Grades to Jobshop and line managing them
- Providing additional support as requested

#### For all grades

##### Managing redundancy costs and budgets

- Controlling all redundancy and associated costs and spend across Consignia
- Providing management reporting and information as required

#### Resourcing Processes

*This document forms part of the Managing the Surplus Framework-Administrative and Operational Grades and should be read in the context of the Framework as a whole and all the documents which constitute it. Information for line managers on the deployment of the Framework is set out in the Guide to Deployment of Managing the Surplus Framework.*

#### Introduction

A robust and fair resourcing process that gives priority to Surplus Employees, whilst recognising and taking full account of Consignia’s obligations under the Disability Discrimination Act 1995 and provisions relating to employees on maternity leave, is central to the Managing the Surplus Framework. These processes describe how Administrative and Operational Grade vacancies will be resourced in a surplus situation.

Where these processes conflicts with any existing resourcing policies within Business Units, this Process shall take priority.

#### Process for Administrative Grades

A process flowchart is at Appendix 1, which will be followed by all Business Units when a vacancy is identified.

Jobs will only be authorised for open resourcing if it can be demonstrated by the relevant Business Unit that the Process has been followed and completed.

This will include considering the feasibility of the renewal and extension of temporary contracts, temporary promotions and of use agency staff in order to keep a vacancy open. Jobshop will only authorise open resourcing when satisfied that the process has been completed and that there are no suitable Surplus Employees (or employees seeking redeployment as a result of disability) available for the job, will give authority for open resourcing. Surplus Employees and employees seeking redeployment as a result of disability may continue to be put forward as suitable until a job offer has been made and will take priority over external and other internal applicants.

Where concurrence is given for a vacancy to be internally advertised, this will only be via the Gazette. Under no circumstances will vacancies be advertised on the public e-mail system or solely via local notice boards. To ensure a consistent approach is applied business-wide, line managers and resourcing units will keep to the common standards of the Gazette Advert Template at Standard Form 6.B

### **The following steps must be followed**

1. The potential Gaining Business Unit line managers will consider Surplus Employees matched against a vacancy. The only exception is where one of the matched employees is a woman on maternity leave (in which case she will be considered in preference to any others provided she is suitable).
2. A Surplus Employee will be matched against a role if he/she is capable of performing the majority of the job requirements and can be developed to fully meet those requirements with reasonable training.
3. The appropriateness or otherwise of training will be judged by Jobshop in consultation with the Parent and Gaining Business Units. Where specific aptitudes have been established as an essential requirement of the job (e.g. customer facing sales jobs) assessment or testing will be carried out to determine appropriate training. Training of up to three months will normally be given to enable the Surplus Employee to meet minimum requirements.
4. Exceptionally if there is a requirement for specific skills and knowledge as an essential pre-requisite it may be cost effective to provide the necessary training. Such exceptions will be considered on their merits. In that case, appropriate training will be provided at the cost of the Parent Business Unit. In these circumstances it will be expected that an employee matched by Jobshop will be confirmed as suitable and appointed by the Gaining Business Unit.

5. Matched employees will not be required to undergo assessment for a vacancy if they are already at the substantive grade of the vacancy. Line managers may however, interview matched employees if they wish. Where necessary interviews should take place within five working days from the date that the PCA sends the papers to the line manager.
6. The purpose of the interview is to
  - 6.1 give the employee information about the role;
  - 6.2 enable selection of the most appropriate employee, where more than one person is put forward by application of the senior most suitable principle using objective, fair and reasonable criteria; and
  - 6.3 confirm the suitability of the employee and document any training and development requirements the employee will need on appointment and in preparation for future interviews.
7. The interviewing line managers will provide constructive and objective written feedback to the PCA within five working days of the interview.
8. The expected outcome will be that as a matter of course a Surplus Employee in an administrative grade will be placed into an administrative grade vacancy. Where exceptionally a line manager has demonstrable reasons why the surplus administrative employee should not be placed into that job following an interview, he / she will notify the PCA who will consider the counselling notes (which must contain objective, fair, and reasonable evidence for the decision), discussing as appropriate with the vacancy line manager. If the PCA feels that the employee meets the requirements of that job, with reasonable training and development if necessary, the PCA will endeavour to resolve the issue with the potential Gaining Business Unit to place the employee. Where the outcome of this is that the PCA agrees with the reasons for non-appointment and no other Surplus Employee has been identified as potentially suitable, the Business Unit will be authorised to proceed to resource openly. Should the PCA and the Gaining Business Unit not reach agreement as to an employee's suitability for a post, the case will be referred for adjudication. The adjudication will initially be given by Group Personnel (Strategy and Policy unit) with the intention that this responsibility will be transferred to Jobshop six months after implementation. CWU may raise specific cases and issues of principle relating to decisions on these matters directly to Group Personnel (Strategy and Policy unit or Jobshop). The adjudication of

Group Personnel (Strategy and Policy unit) on the placement of a Surplus Employee into a vacancy will be final.

9. Appeals against non-appointment will usually only be allowed on the grounds that the candidate believes that they have been unlawfully discriminated against or that there has been a procedural error. Appeals against reasonableness of appointment (including location) are covered within the Reducing The Surplus Redeployment Process. At an appeal if requested an employee may be accompanied by the relevant Trade Union representative or by a colleague from the same location.
10. Once a Surplus Employee is confirmed as being suitable for the vacancy by the line manager in the Gaining Business Unit, their Parent Business Unit should release them as soon as practicably possible. If necessary, the Parent Business Unit can backfill the resultant vacancy or the Gaining Business Unit can fill the vacancy on a temporary basis. Under no circumstances should the Surplus Employee lose the opportunity to take the job as a result of the inability of either Business Unit to make appropriate arrangements. Once a Surplus Employee is confirmed as suitable, that employee and the vacancy are removed from the Matching Model Database.
11. Whilst the Resourcing Process is being followed in respect of a vacancy, that vacancy can be filled on a temporary basis only. Until this process concluded no permanent recruitment will be permitted.

Line managers cannot refuse to consider Surplus Employees (including those on maternity leave or long-term sick leave) who have been matched against a vacancy.

Surplus Employees who are disabled or are on maternity leave will be offered suitable alternative employment that exists in accordance with legislative requirements

### **Process For Operational Grades**

Jobshop will facilitate the placement of all surplus operational grades for all Business Units.

Registers with the details of all Surplus Employees in Operational Grades (postal grades and engineering technical grades) will be maintained by Jobshop.

As soon as employees are identified as being surplus they will be registered with Jobshop who will liaise with all Business units to verify if there are vacancies available or temporary employees that can be released. Surplus Employees will then be offered vacancies in common seniority order.

BU's will be required to check there are no Surplus Employees before considering any other method of resourcing. Line managers cannot refuse to accept Surplus Employee (including those on maternity leave or long-term sick leave) who has been matched against a vacancy. Employees who are disabled or Surplus Employees who are on maternity leave will be offered suitable alternative employment in accordance with legislative requirements.

### **Temporary Contracts**

#### **Administrative Grades**

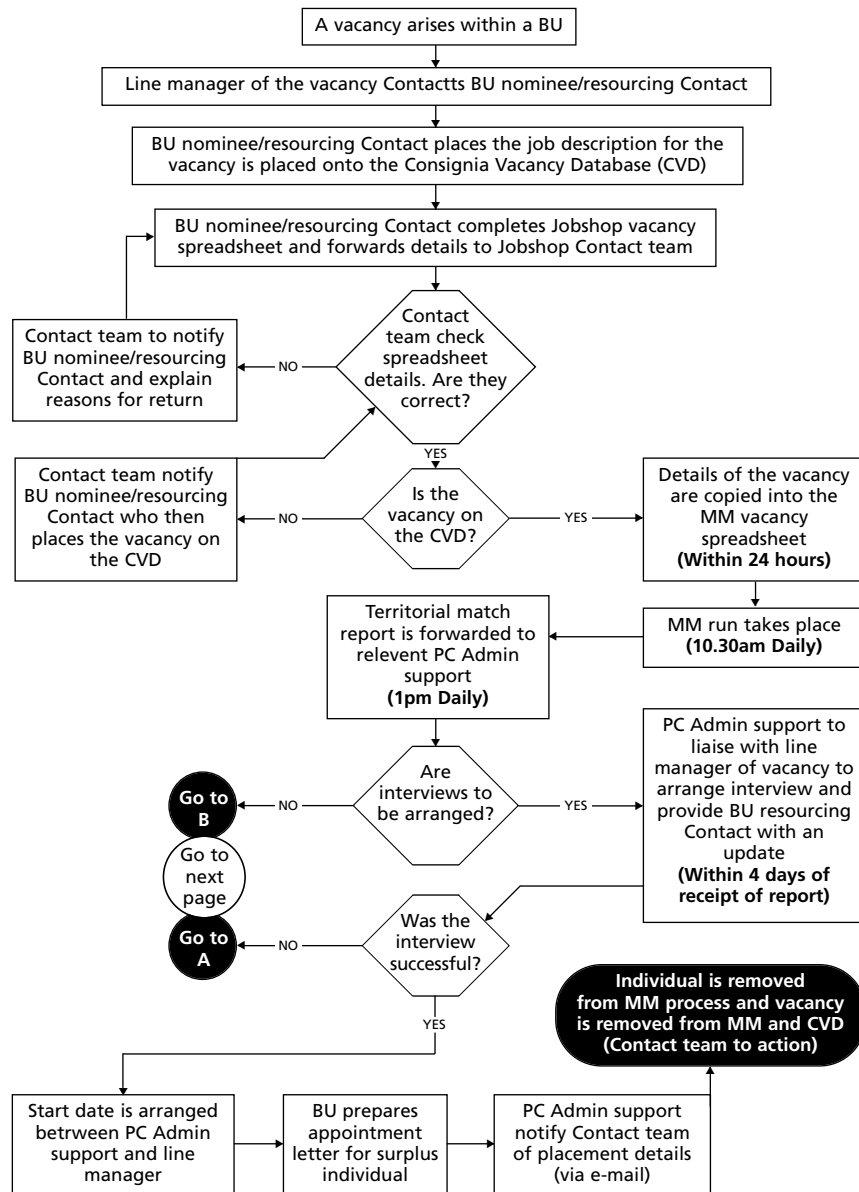
- If a position filled by someone on a temporary contract is expected to last for more than six months it will be registered with Jobshop on the Matching Model Database.
- Business Units must obtain Jobshop concurrence before using temporary staff (agency or otherwise) or renewing temporary contracts.

#### **Operational Grades**

- For Operational posts in SD, LS, CHD and P&E, the relevant Business Unit must liaise with Jobshop to ensure there are no surplus staff available to take up the jobs.

## End to End Vacancy Process 25 March 2002

THIS PROCESS OUTLINES HOW A VACANCY IS REGISTERED WITHIN JOBSHOP



## Vacancy Registration – continued

