

## APPENDIX I

*(referred to in paragraph 5 of the Introduction)*

### **Summary of written evidence received from the Post Office Unions' Council**

1. The Post Office Unions' Council (POUC) submitted written evidence on behalf of the unions representing Post Office workers engaged in purchase and supply and representatives of POUC and individual unions attended two hearings. The Council considered the current grading structure of these workers to be simple, straightforward and satisfactory. It drew attention both to the reduction in numbers employed and the increase in productivity, commenting that assessment of productivity had to take account of the fact that consignments comprising a large number of items in small quantities had to be distributed to some 20,000 locations. The unions considered productivity to depend on a variety of factors and remained opposed to local pay and productivity agreements. POUC expressed concern at the high levels of overtime which it saw as the consequence of staff reductions and unwillingness to recruit new staff. It considered that the existing centralised purchasing and distribution arrangements should be maintained in the interests of cost-effectiveness, security, quality control and reliability. In its view too much work was being given to outside consultants, particularly in the field of computerisation, which could be more cheaply undertaken in-house by training staff in the required skills.

APPENDIX 2  
(referred to in paragraph 7.11)

**SD revenue budgets and actual expenditure for the four financial years ended 2 April 1986**

	1982-83		1983-84		1984-85		1985-86		£'000 Budget 1986-87
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
<b>SD total*</b>									
Staff costs†	N/A	7,919.5	7,126.0	7,757.8	6,810.8	8,285.0	9,008.2	9,041.8	8,725.9
Non-staff costs:									
Vehicle hire	1.0	2.0	43.9	60.7	58.6	50.3	61.0	51.5	59.0
MT fuel	6.0	2.6	3.9	5.2	5.0	6.8	7.0	14.2	22.0
Travel	192.0	73.4	95.7	82.9	142.8	145.2	153.0	148.1	182.0
Catering	9.0	8.5	8.8	12.9	14.0	14.3	14.0	15.4	15.0
Rent and rates	285.0	424.9	400.5	374.6	470.0	412.4	382.0	363.4	502.0
Energy	323.0	279.7	312.5	287.6	306.6	276.4	310.0	306.3	318.0
Telephones	176.4	167.8	170.2	144.1	121.8	95.9	215.0	196.3	228.0
Other publicity	7.5	2.8	6.5	5.1	7.5	7.8	8.0	16.4	17.0
Furniture and accommodation	89.0	99.4	196.2	—	104.0	84.4	144.1	136.5	61.0
Miscellaneous overheads	497.0	371.1	575.7	614.3	456.6	513.7	578.0	728.4	833.0
Girobank charges	7.0	1.8	—	—	3.0	3.8	5.0	4.7	5.0
Consultants	35.0	92.6	136.5	169.6	422.0	589.4	51.0	36.8	44.0
BT procurement	4,629.0	3,238.0	1,906.0	1,616.0	470.0	473.8	477.6	685.9	463.0
Transport of stores	301.0	145.7	—	—	—	—	—	—	—
Printing and stationery	—	—	—	—	12.6	14.3	48.8	198.0	262.0
	<u>N/A</u>	<u>12,829.8</u>	<u>10,982.4</u>	<u>11,130.8</u>	<u>9,405.3</u>	<u>10,973.5</u>	<u>11,462.7</u>	<u>11,943.7</u>	<u>11,736.9</u>
Printing and stationery (national)							7,438.0†	8,315.0	6,058.0
<b>Swindon depot and HQ</b>									
Staff costs	N/A	5,254.2	4,729.2	5,120.1	4,316.6	5,385.8	5,749.8	5,937.2	5,535.9
Non-staff costs:									
Vehicle hire	—	—	41.9	59.4	58.1	50.2	60.5	51.5	58.0
MT fuel	6.0	2.6	3.9	5.2	5.0	6.8	7.0	14.2	22.0
Travel	168.0	56.6	70.2	65.2	104.8	121.8	122.8	127.7	153.0
Catering	9.0	8.5	8.8	12.9	12.4	12.7	12.3	14.2	13.0
Rent†	—	18.3	71.0	56.2	121.9	66.9	—	—	—
Rates	217.0	338.1	252.5	248.8	270.8	268.2	295.0	282.3	403.0
Energy	271.0	232.8	254.5	238.2	245.4	220.3	241.7	253.3	267.0
Telephones	153.4	151.3	146.2	126.7	103.4	79.0	194.9	177.1	211.0
Other publicity	7.5	2.6	6.2	4.7	6.7	7.3	7.3	15.7	16.0
Furniture and accommodation	55.0	81.1	162.2	—	91.0	71.5	130.5	126.4	50.0
Miscellaneous overheads	385.0	341.6	349.0	500.1	385.0	391.3	498.2	572.9	679.0
Girobank charges	1.0	0.9	—	—	1.9	2.3	3.8	2.8	3.0
Consultants	35.0	92.6	136.5	169.6	422.0	589.4	51.0	36.8	44.0
BT procurement	4,629.0	3,238.0	1,906.0	1,616.0	470.0	473.8	477.6	685.9	463.0
Transport of stores	301.0	145.7	—	—	—	—	—	—	—
Printing and stationery	—	—	—	—	11.4	12.3	35.6	184.8	205.0
	<u>N/A</u>	<u>9,964.9</u>	<u>8,138.1</u>	<u>8,223.1</u>	<u>6,626.4</u>	<u>7,759.6</u>	<u>7,888.0</u>	<u>8,482.8</u>	<u>8,122.9</u>
Printing and stationery (national)							7,438.0†	8,315.0	6,058.0

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	1982-83		1983-84		1984-85		1985-86		£'000 Budget 1986-87
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
<b>Hemel Hempstead depot</b>									
Staff costs	N/A	2,201.9	1,903.8	2,144.9	1,818.7	2,156.8	2,250.2	2,144.1	2,201.4
Non-staff costs:									
Vehicle hire	1.0	2.0	2.0	1.3	0.5	—	0.5	—	1.0
Travel	24.0	16.8	25.5	17.7	36.0	21.6	27.2	18.9	26.0
Catering	—	—	—	—	1.6	1.6	1.7	1.2	2.0
Rates <sup>§</sup>	68.0	68.5	77.0	69.6	77.3	77.3	87.0	81.1	99.0
Energy	52.0	46.9	58.0	49.4	61.2	56.1	68.3	53.0	51.0
Telephones	23.0	16.5	24.0	17.4	18.4	16.7	17.6	18.7	17.0
Other publicity	—	0.2	0.3	0.4	0.5	0.4	0.5	0.5	—
Furniture and accommodation	34.0	18.3	34.0	12.4	13.0	12.5	13.0	9.0	9.0
Miscellaneous overheads	112.0	29.5	96.6	85.2	55.9	104.6	71.8	140.8	149.0
Girobank charges	6.0	0.9	—	—	1.1	1.5	1.2	1.9	2.0
Printing and stationery	—	—	—	—	1.2	2.0	1.0	6.0	13.0
	N/A	2,401.5	2,221.2	2,398.3	2,085.4	2,451.1	2,540.0	2,475.2	2,570.4
<b>Edinburgh depot</b>									
Staff costs	N/A	463.4	415.3	415.1	450.2	521.1	550.5	550.0	519.2
Non-staff costs:									
Vehicle hire	N/A	N/A	—	—	—	0.1	—	—	—
Travel	N/A	N/A	—	—	2.0	1.8	3.0	1.5	3.0
Telephones	N/A	N/A	—	—	—	0.2	2.5	0.5	—
Other publicity	N/A	N/A	—	—	0.3	0.1	0.2	0.2	1.0
Furniture and accommodation	N/A	N/A	—	—	—	0.4	0.6	1.1	2.0
Miscellaneous overheads	N/A	N/A	130.1	16.6	15.7	17.8	8.0	14.7	5.0
Printing and stationery	N/A	N/A	—	—	—	—	12.2	7.2	44.0
	N/A	N/A	545.4	431.7	468.2	541.5	577.0	575.2	574.2
<b>London HQ</b>									
Staff costs	N/A	N/A	77.7	77.7	84.7	84.7	110.9	102.2	129.8
<b>London Reprographic Unit and Illustration Studios<sup>¶</sup></b>									
Staff costs	—	—	—	—	140.6	136.6	346.8	308.3	339.6

Source: MMC from Post Office data.

\* Including costs of SD London and the London Reprographic Unit and Illustration Studios.

† No budgets were set for bonuses, National Insurance and pension contributions during the years 1982-83 to 1984-85 and this partially explains the staff cost overspends compared to budget for these years.

‡ SD became responsible for the corporation printing and stationery budget in 1985-86. This had previously been the responsibility of FAD at Chesterfield.

§ Hire of warehousing space (no longer applies after 1984-85).

|| Includes £100 per annum ground rent at Wolverton depot.

¶ Only since July 1984—previously part of Engineering and Management Resources Departments.

N/A = Not available.

APPENDIX 3

(referred to in paragraph 7.14)

**Analysis of Swindon depot and Headquarters non-staff expenditure for the financial years 1984-85 and 1985-86\* (excluding BT procurement cost and consultants' fees)**

					£'000
	Depot	SDS FPP HQ	Purchasing and Contracts Division	Engineering R & D	Total
<i>1984-85</i>					
Vehicle hire	50.0	0.1	0.1	—	50.2
MT fuel	2.7	1.7	2.1	0.3	6.8
Travel	63.0	28.2	30.5	0.1	121.8
Printing and stationery	7.4	2.4	2.4	0.1	12.3
Catering	12.7	—	—	—	12.7
Girobank charges	2.3	—	—	—	2.3
Rent	66.9	—	—	—	66.9
Rates	239.9	2.4	14.7	11.2	268.2
Energy	190.0	2.1	10.7	17.5	220.3
Telephones	48.8	4.5	21.4	4.3	79.0
Other publicity	4.2	1.4	1.5	0.2	7.3
Furniture and accommodation	66.3	0.3	4.1	0.8	71.5
Miscellaneous overheads	354.5	4.1	32.3	0.4	391.3
	<u>1,108.7</u>	<u>47.2</u>	<u>119.8</u>	<u>34.9</u>	<u>1,310.6</u>
<i>1985-86</i>					
Vehicle hire	51.4	—	0.1	—	51.5
MT fuel	6.8	1.7	2.1	3.6	14.2
Travel	51.9	32.3	43.3	0.2	127.7
Printing and stationery	182.0	0.8	1.5	0.5	184.8
Catering	14.2	—	—	—	14.2
Girobank charges	2.8	—	—	—	2.8
Rent	—	—	—	—	—
Rates	229.0	2.3	8.4	42.6	282.3
Energy	204.9	2.0	7.4	39.0	253.3
Telephones	77.3	8.8	30.3	60.7	177.1
Other publicity	6.5	2.7	3.9	2.6	15.7
Furniture and accommodation	120.7	1.8	0.4	3.5	126.4
Miscellaneous overheads	531.2	10.9	29.5	1.3	572.9
	<u>1,478.7†</u>	<u>63.3</u>	<u>126.9</u>	<u>154.0</u>	<u>1,822.9</u>

Source: Post Office.

\*Budget allocations are available only for the Swindon site as a whole and figures are therefore included for Engineering R & D although it is not part of SD.

†Includes £208,200 non-staff costs of London Reprographic Unit and Illustration Studios.

APPENDIX 4  
(referred to in paragraph 8.50)

**Pay rates for staff in procurement and supply: grade maxima 1981 to date**

Grade	£ (pw or pa as indicated)															
	1.7.81	1.11.81	1.4.82	1.7.82	1.4.83	1.7.83	1.8.83	1.12.83	1.1.84	1.4.84	1.7.84	1.10.84	1.4.85	1.7.85	2.11.85	11.11.85
SB6 Head of Purchasing and Contracts																
SB8/Head of Group	18,050pa		19,200		20,050		20,250			21,060*	21,200*		22,260*			27,250
SB9/Head of Section	16,350pa		17,400		18,200		18,350			18,668*	18,750*		19,668*			22,350*
Postal Executive 'B'	12,073pa		12,858		13,469		13,557			14,099	14,181		14,890			19,800*
Postal Executive 'C'	9,655pa		10,283		10,771		10,841			11,275	11,356		11,924			14,961
Catering Executive 'B'	9,108pa		Assimilated to PEC scale													
Postal Officer		5,937pa	6,353		6,671		6,735			7,163†			7,649†			7,685†
Postal Assistant		87-14pw	93-24		97-90		98-83			105-12†			112-25†			112-79†
Cleaner		72-95pw	78-06		81-96		82-74			87-46			91-83			92-27
Catering Group 1	90-25pw		96-57		101-40		102-37			107-69			113-07			113-61
Catering Group 2	83-71pw		89-57		94-05		94-95			99-89			104-88			105-38
Catering Group 3	98-48pw		83-97		88-17		89-01			93-99			98-69			99-16
Catering Group 4	75-86pw		81-17		85-23		86-04			90-86			95-40			95-86
Superintendent of typists	6,751pa			8,645		9,077			9,120		9,485	9,553		10,031		10,078
Supplies Superintendent	9,843pa		10,612		11,282		11,395				Regraded PEC					
Senior Supplies Superintendent	11,905pa		12,835		13,646		13,782				Regraded PEB					
Supplies Assistant	107-07pw		115-45		122-14				122-75		129-54	129-86	130-16	136-67	137-32	
Storekeeper	122-86pw		132-46		140-12				140-82		148-62	148-99	149-32	156-79	157-53	
Senior Storekeeper	136-20pw		146-86		155-36				156-14		164-78	165-19	165-57	173-85	174-68	
Patrolman	116-71pw		125-80		133-08				133-75		141-15	141-50	141-83	148-92	149-63	
Senior Data Processing Officer	6,868pa		7,405		7,775				7,812		8,183			8,592	8,633	
Data Processing Officer	108-91pw		117-43		123-30				123-89		129-77			136-26	136-91	

\* Standard max.

† Includes consolidated PO/PA bonus scheme payments.

