

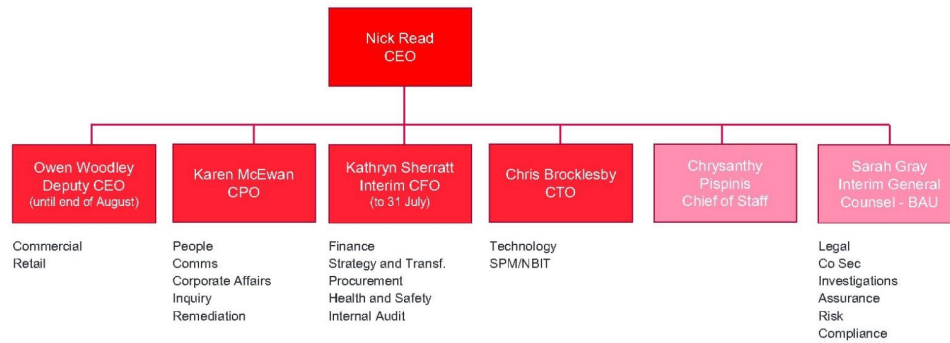
Workforce Analytics

Organisation Design - Headlines

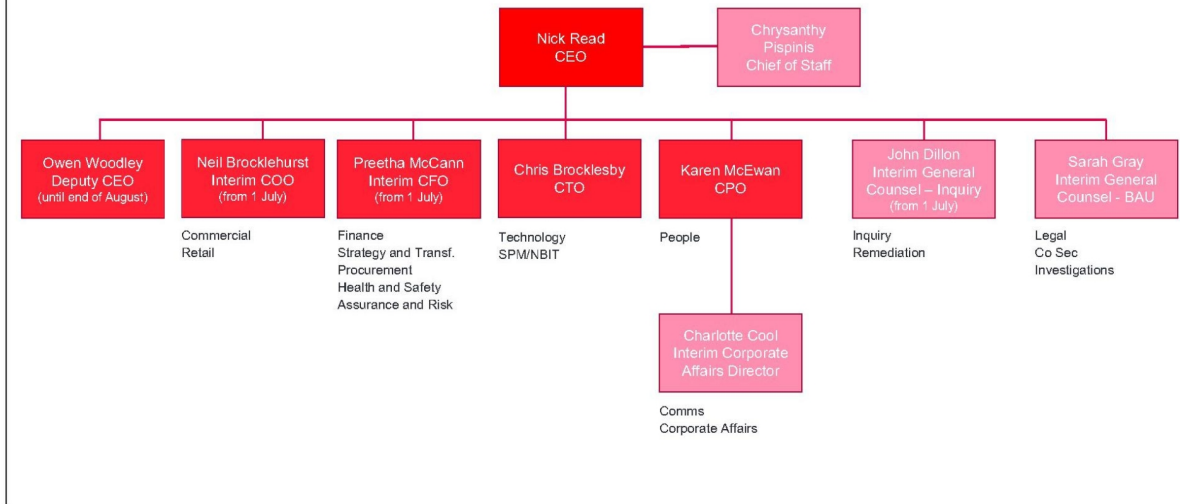
May 2024



Executive Organisation Design – as is



Executive Organisation Design – to be



Organisation Size and Workforce by Contract Type

Business Unit	Contractors	Fixed Term Employees	Total Headcount	FTC Proportion	Contractor Proportion
Commercial	26	2	123	1.63%	21.14%
Finance	5	8	180	4.44%	2.78%
Legal	1	14	96	14.58%	1.04%
CPO (inc Comms, Inquiry, RU)	113	61	407	14.99%	27.76%
Retail	18	159	2656	5.99%	0.68%
Strategy & Transformation	7	8	71	11.27%	9.86%
Technology	168	5	474	1.05%	35.44%
Total	338	257	4007	6.41%	8.44%

Organisation Design – Headline Measures



Spans of control

Average
5.59

1:1 reporting
occurrences
119



Managers

Percentage of roles
17.9%



Layers

Total
10

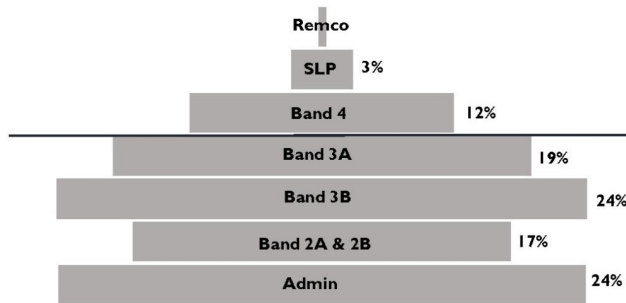
Average roles from
CEO
6.3



Grade
Compressions

Occurrences
164

*Note: All analysis dependent upon SuccessFactors accuracy. Accurate at 3rd May 2024.

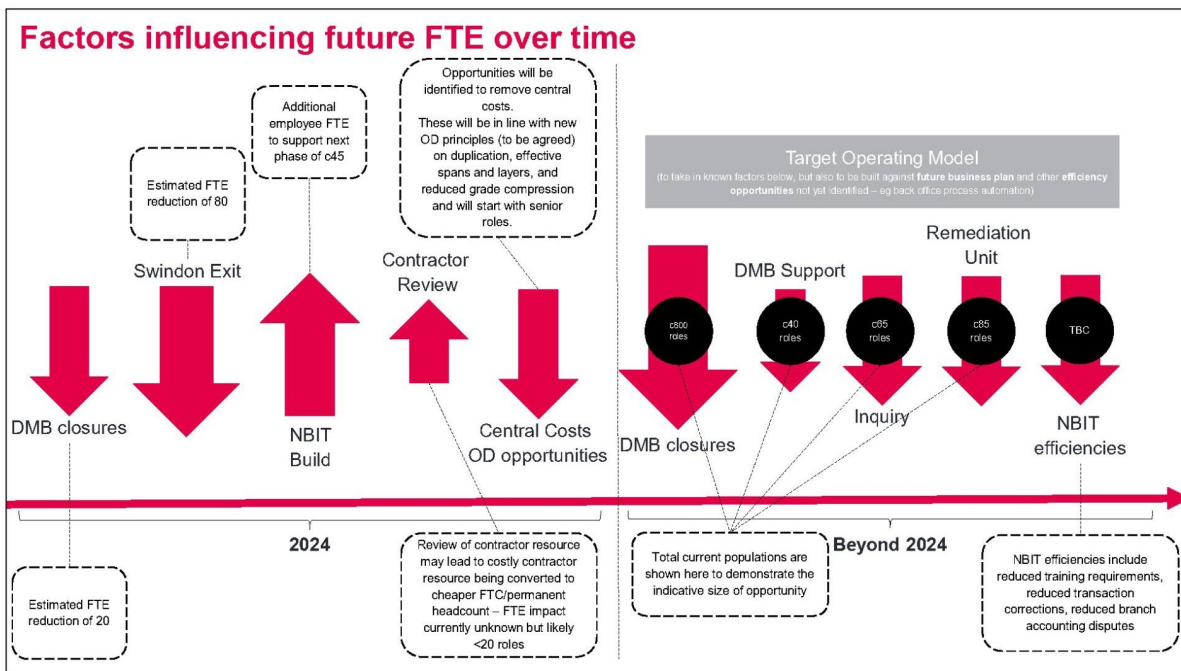
85% of the 1,808 budgeted Central POL FTE are below Band 3A**FY24/25 Budgeted Shape of Central POL Employees as at Mar-25**

Note: Excludes DMB and Supply Chain, Payzone and POI and Contractors

Grade	As at Mar-24 FTE	As at Mar-25 FTE	Average Base Salary per FTE £k
Remco	8	8	
SLP	63	52	
Band 4	215	218	
Band 3A	340	345	
Band 3B	430	437	
Band 2A & 2B	307	312	
Admin	425	435	
Total	1,789	1,808 **	

***Note:** Average base salary per FTE is based on actual pay data per band as at Mar-24

****Note:** Planned increase in central headcount over year driven by CIO (building NBIT capability and reducing contractor reliance) and People (restructure to build organisational capability). Central cost opportunities have not been overlaid on this which will help reduce headcount.



What drives POL's high cost of change?

The cost of organisation change is significant given Union agreements and length of service profile.

Length of service	Compensation
For all colleagues Less than 2 years service	PILON + NICs (+ Pro rated bonus)
For all colleagues (excluding SLP*) Minimum for greater than 2 years service	26 weeks + PILON + NICs (+ Pro rated bonus)
For Band 4, Band 3A, Band 3B, Band 2A, Band 2B Maximum for greater than 2 years service (>28 years service or >19 years service if aged over 59)	104 weeks + PILON + NICs + Pro rated bonus
For Admin Maximum for greater than 2 years service (>30 years service or >19 years service if aged over 59)	104 weeks + PILON + NICs

These terms impact the
payback period for any
organisation change

*For SLP, redundancy terms are less generous and capped at 52 weeks (including PILON)

Example:

IRRELEVANT

Change cost (excl pro rated bonuses)

=



35 FTE

In line with grade profile of Post Office
(1x SLP, 4x Band 4, 8x Band 3A, 8x Band 3B, 8x Band 2A/B, 8x Admin)

In line with average salaries of Post Office colleagues
(£105k SLP, £96k Band 4, £88k Band 3A, £47k Band 3B, £35k Band 2A/B, £28k Admin)

With average length of service of 9.29 years and average
age of 42