

Reject CWU/EP Group agreement enforcing restructuring at Britain's Royal Mail!

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6 July 2025

Communication Workers Union (CWU) leaders Dave Ward and Martin Walsh launched July 3 a finalised agreement with billionaire Daniel Křetínský's EP Group, now sole owners of Royal Mail. This followed its unanimous backing by the union's postal executive.

Postal workers have been strung along, with three missed deadlines since late May. Ward and Walsh first announced their "groundbreaking" framework agreement with EP Group last December. This complimented the Starmer government's rubber stamp for the £3.6 billion takeover via its Deed of Undertakings.

The reason for the delay in releasing "Rebuilding Royal Mail Part Two" is now clear: on a pay rise and "improvement of terms and conditions," it is a fraud. This goes to the heart of the central lie—that the takeover by billionaire equity owners signals a "change of ethos." This is an attempt to blunt workers' natural hostility to the oligarch Křetínský (net worth £7 billion) and awareness of the danger posed to the 130,000 workforce and mail service.

Ward and Walsh declared loyalty to corporate profiteering, lecturing workers to "accept the reality of privatisation." This, after more than a decade of disaster in which Royal Mail was milked by hedge funds and equity firms. Martin Seidenberg, chief executive of Royal Mail's parent company International Distribution Services (IDS), was forecast to net £5 million from selling his shares in the EP Group buyout.

The CWU leaders' statement about "building trust" and "positive industrial relations" is corporate spin. The "complex negotiations" weren't to secure the "right agreement" for workers, but to package a new benchmark in corporate restructuring, cooked up with Křetínský and the Starmer government. This tripartite alliance against workers is the real face of Labour's "New Deal."

Pay

The proposed pay award is a three-year deal to lock in a pittance raise. The claim that pay "will match or rise above inflation" is false. Year One is a miserly 4.2 percent—just above current CPI (3.4 percent) and less than RPI (4.3 percent). Years Two and Three are tied to CPI, the lower measurement of inflation, or a 2 percent minimum in both years. If CPI is above 3 percent in either year, "both parties can trigger a reopener."

Ward and Walsh's last "groundbreaking agreement" over three years meant a 14 percent real-terms pay cut.

Keeping the basic rate nailed down forces workers to compensate

via bonuses tied to productivity strings. EP Group is painted as benevolent for offering "additional earnings." The CWU agrees to "trial" an incentive scheme at 12 delivery units and 2 mail centres from September. In earlier statements, the union touted locally based productivity targets. Instead of fighting for higher basic pay, the CWU apparatus helps management enforce punishing workloads dressed up as "employee benefits" to undermine postal workers' collective interests.

USO reform decoupled in words, not practice

The boast that pay has been "decoupled" from USO reform is a trap. The statement hypocritically calls Royal Mail's approach "unsettling"—but it was Walsh who went behind workers' backs to co-author the rollout at 37 "pilot" offices. Delivery workers at those sites have condemned them as "unworkable." This downpayment on restructuring at all 1,200 delivery units was locked into the December framework agreement with EP Group and still applies.

We're told "the early results from the pilot offices have been mixed"—a whitewash. The CWU's seven-page summary of 33 pilot offices failed to hide the disaster: collapsing Quality-of-Service and exhausted delivery workers. "Reform" is corporate code for profit maximisation. It is based on the Optimised Delivery Model (ODM) to gut the mail service with alternate weekday delivery (except First Class), the end of fixed duties, extended spans past five hours, and increased weekday hours—with call rates up 30 percent.

Claims that full deployment depends on pilot "issues" being "resolved" mean only temporary fixes.

Ward and Walsh pledge support "in principle" for USO reform: their "commitment" to cutting costs by up to £425 million to benefit Křetínský. The CWU embraced Ofcom's 198-page endorsement of the ODM in January. CWU and EP Group's "separate negotiations" on USO reform—mooting an agreement by July 18—are meant to bolster the pro-company apparatus against growing opposition.

A managed jobs cull

The agreement facilitates more job losses through voluntary redundancy (VR). "We have agreed an improved VR settlement

which moved the maximum entitlement to 52 weeks,” the CWU states, “to accelerate” the process.

The figure of 7,000 job losses has been cited for USO reform. Walsh claimed “only” around 1,000 would be via VR, with 6,000 through “natural wastage”—ending recruitment to fill vacant posts. This gaping hole was created by “legacy” workers quitting in droves. The CWU blames Royal Mail for breaking agreements, but the exodus resulted from the 2023 sellout co-authored and enforced by the CWU, entrenching punishing workloads and management bullying. A slight uplift in VR terms is hailed to advance the jobs cull.

No agreement on new entrants or sick pay

Ward’s mantra about a “reset” with EP Group included dangling the carrot that the two-tier workforce and slashed sick pay introduced in 2023 would be reversed. These were part of the Amazon-style conditions postal workers waged 18 days of strike action to oppose, which the CWU bureaucracy betrayed by signing up to with Royal Mail and then demanding a Yes vote in July 2023.

Inferior pay and terms for new entrants—including hourly pay barely above minimum wage, unpaid breaks, and mandatory Sundays—were the flip side of driving out senior postal workers to enforce the sweatshop charter.

Now, after months of claiming a “pathway” to “equalisation”, the statement confirms there is none. A “first step” is promised in September and a “full plan” in December. The same fob-off applies to “improvement” on sick pay. Workers are expected to vote on an agreement which is not finalised and accept empty promises. The bureaucracy will throw new entrants under the bus for a second time and renege on restoring full sick pay as postal workers are punished by crippling workloads.

Ward and Co. as K?etínský’s partners

The shambolic “agreement” is to cement the union bureaucracy’s place as partner with K?etínský.

The statement says a members’ vote also means acceptance of “Part One” of the Framework Agreement—which includes a corporate seat for Ward & Co. alongside K?etínský and Labour via a new Advisory Committee.

It claims, “We are finalising the terms of the Employee Collective Benefit Trust (ECBT)—10% of any dividend will be due to our members once the company returns to profit.”

All such “profit-sharing” schemes are a fraud, offering “jam tomorrow” to cover for looting. The framework agreement with EP Group in December endorsed a “split” of the £1 billion pension surplus between Royal Mail investment and the ECBT. Ward trumpeted this as investment—capital expenditure paid for by raiding workers’ pensions, a handout to K?etínský.

The members’ ballot now promised, with no date confirmed, on “Rebuilding Royal Mail agreements, parts one and two,” is to give the bureaucracy a head start to push a “Yes” vote, aided by a propaganda blitz from CWU HQ: “videos, podcasts, reps’ briefings”. Using

members dues to amplify pro-company messaging.

Ward, recently awarded a CBE by the Labour government, is completing his career as Starmer’s henchman—delivering what no Tory government could: the bitter endgame of privatisation, with billionaire investors in sole ownership of Royal Mail and the gutting of the mail service underway.

Build the Postal Workers Rank-and-File Committee!

Within 24 hours, the CWU Facebook page was flooded with around 1,000 comments, overwhelmingly opposed—“Absolute disgrace,” “offensive,” “abysmal”.

Postal workers don’t need to build “trust” with EP Group but a strategy to mobilise their collective strength to resist a further race to the bottom.

The Postal Workers Rank-and-File Committee (PWRFC) calls on Royal Mail workers to demand a no-confidence vote in Ward, Walsh, and the postal executive. This shabby deal must be thrown out and a rejection made the starting point for dismantling the unaccountable pro-company apparatus and restoring power to the shopfloor.

Postal workers have called for a no-strings pay rise and an end to the pilots, dismantling of the mail service and job destruction under the mantle of USO “reform.” These must be drawn up as non-negotiable demands to reject what the CWU insists must come first: the priorities of the corporate oligarchy.

The fight at Royal Mail is not a national issue, but part of an international struggle by postal and logistics workers against the weaponisation of AI and automation to slash jobs and increase exploitation, and to privatise services—as in Canada and the US. We urge Royal Mail workers to make contact and help build the international fightback.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact