

Vote No to CWU leaders' pact with Kretinsky: a blueprint for brutal restructuring

Postal Workers Rank-and-File Committee
25 July 2025

The Postal Workers Rank-and-File Committee (PWRFC) calls for an emphatic No vote in the upcoming ballot from August 6 to 26 on "Rebuilding Royal Mail Parts 1 and 2."

These agreements are not about rebuilding anything for us or service users. They are about increasing Royal Mail's profits at our expense, enforcing a ruthless corporate overhaul to gut jobs, slash pay further and undermine working conditions. This is to complete the transformation of Royal Mail into a low-cost parcel logistics firm: the "Amazon of Europe."

This package has been secretly crafted over months by Communication Workers Union (CWU) General Secretary Dave Ward, Deputy General Secretary Martin Walsh with Royal Mail's new billionaire boss Daniel Kretinsky, whose EP Group took control in May following a £3.6 billion takeover. The CWU postal executive rubber stamped this without our vote and are telling workers to vote Yes. But we will not accept the dismantling of the Universal Service Obligation (USO) and our remaining hard-won rights.

A corporate blueprint for the gig economy

"USO reform" has nothing to do with improving the mail service. It is about implementing the Optimised Delivery Model (ODM)—a gig-economy regime for 80,000+ delivery staff that:

- Abolishes fixed duties with three delivery workers doing the work of four

- Extends delivery spans beyond five hours

- Increases call rates by 30 percent

This is the corporate vision of "efficiency"—slashing costs and working postal workers to the bone while the mail service is collapsed. Ofcom, the government regulator, has already approved the first steps to downgrade the USO from July 28 based on alternate weekday delivery for "non-priority" letters, reduced delivery targets for First Class and delayed speed of delivery.

Walsh has declared that the pay award is "a no strings deal". The truth is they have embraced the restructuring by Ofcom in their agreements with Kretinsky to gut the USO based on slashing jobs, prioritising parcels and ramped-up workloads.

The insulting pay offer

CWU leaders are boasting about a new three-year pay award.

- Year One: 4.2 percent—barely above CPI (3.6 percent) and below RPI (4.4 percent).
- Years Two and Three: Tied to CPI or a minimum of 2 percent, whichever is higher, with a vague "reopener clause" if inflation spikes.

This locks in pay stagnation for three years. The last deal imposed a 14 percent real-terms cut. Instead of fighting for higher pay, Ward and Walsh are helping the company impose productivity-linked bonuses. They've agreed to trial "incentive schemes" at 12 delivery units and two mail centres starting in September. These introduce more punishing workloads and undermine our collective interests under the cover of "additional earnings" opportunities.

Lies about "decoupling from USO reform"

CWU officials claim that the pay award is decoupled from USO reform. What a fraud! The pilot rollout of the ODM has already taken place at 35 of the 37 targeted offices, co-authored by Martin Walsh with Royal Mail behind our backs. Reports from these sites are damning: collapsing Quality of Service, burnt-out staff, and impossible workloads. Yet the CWU says the results are "mixed."

Pilots were already tied into the Framework Agreement with EP Group Part 1—in December, which we had no vote on. Far from being "resolved," only temporary fixes have been applied as the ODM is readied for national deployment. In January, CWU officials welcomed Ofcom's endorsement of ODM and "USO reform." The "Rebuilding Royal Mail" documents affirm a joint commitment on a "sustainable USO" to slash costs by £425 million a year.

A "voluntary" jobs cull

The CWU admits agreeing to “accelerate” the voluntary redundancy (VR) process, with a slight improvement in terms—up to 52 weeks’ pay. This is meant to push out thousands more experienced workers, clearing the way for ODM’s sweatshop model.

Royal Mail estimates 7,000 job losses from USO reform, only 1,000 via VR, with around 6,000 via “natural wastage”—meaning no recruitment to fill existing vacancies. This is based on a mass exodus of “legacy” workers triggered by the sellout agreement in 2023: 18 days of strike action betrayed, workloads intensified, and management bullying rampant. We must unite together against this sweatshop model.

No real change for new entrants or on sick pay

The CWU claims that “equalisation” of terms for new entrants and “improvement” on sick pay will be balloted on separately once an agreement is finalised. There is only an “agreement” for a “first step” to an agreement in September and a “full plan” in December on new entrants. The same fob-off applies to a promised “improvement” on sick pay, no later than September.

Walsh has admitted that equalisation for new entrants will take three years, and company sick pay will only return for the second absence—so rock bottom statutory sick pay of around £23 per day will still apply during third and fourth absences.

Profit sharing equals pension looting

Ward and Walsh are trumpeting the Employee Collective Benefit Trust (ECBT)—a “profit-sharing” scheme with EP Group offering 10 percent of dividends. This is jam-tomorrow, disproven by similar schemes after more than a decade of privatisation as fund managers and equity firms raked in £2 billion.

Profits will be generated by slashing jobs and gutting services. The framework agreement signed with EP Group in December includes a £1 billion pension surplus “split” between the ECBT and Kretinsky—diverting workers’ money into subsidising capital expenditure. This is not wealth sharing. It is wealth appropriation in the interests of the corporate oligarchy.

The Labour government rubber-stamped EP Group’s takeover last December, guaranteeing light-touch regulation to allow profiteering. Kretinsky only needs to meet Royal Mail’s 2023–24 performance when a quarter of First Class letters were not delivered on time as part of a “commitment to the USO”. This will allow EP group to carry out “value extraction”, e.g., asset stripping.

This was linked to the insistence by the Starmer government to include the CWU bureaucracy as corporate partners in the new set-up to demobilise opposition while claiming to establish “workers’ representation.”

Ward, recently awarded a CBE (Commander of the Order of the British Empire) by the Labour government, is completing his union 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.

The way forward

Our committee was formed in opposition to the CWU’s last “negotiators agreement,” dubbed as the “surrender document.” There was mass opposition expressed to the “ground-breaking deal” announced in April 2023, which was bureaucratically suppressed to get the pro-company deal over the line, ushering in a wave of attacks on our jobs and terms and conditions. We cannot afford a repeat. Postal workers should demand a no-confidence vote in Ward, Walsh, and the entire CWU postal executive. The will of the membership must be asserted against the pro-company apparatus.

The PWRFC proposes the following demands:

- **An inflation-busting, no-strings pay rise**

Enough of below-inflation settlements and productivity. We demand a real pay increase that restores what has been stolen through years of wage suppression

- **Abolish the two-tier workforce—equal pay and conditions for all**

No more divide and rule. New entrants must not be condemned to poverty pay, unpaid breaks, and sweatshop conditions.

- **Defend the Universal Service Obligation**

Reject alternate-day delivery, degraded First Class service, and the destruction of the mail service. The USO must be protected as a vital public good—not dismantled for private profit.

- **Workers’ control of technology to shorten hours and improve safety**

Automation and digital tools must serve workers, not billionaire shareholders. Use technology to reduce workloads, improve health and safety, not to destroy jobs

The PWRFC can provide the platform to forge links with other key sections of workers engaged in battles against the Starmer government, such as 400 Birmingham bin workers opposing its strikebreaking operation as they fight to defend jobs and defeat drastic pay cuts. It is also central to linking up with postal and logistics workers internationally also opposing the overhaul of postal services to prioritise profits and ram through privatisation.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact