CWU-Royal Mail joint statement seeks to rescue DM26 and maintain two-tier workforce

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Communication Workers Union (CWU) leaders Dave Ward and Martin Walsh have issued a joint statement with Royal Mail management and its billionaire owners, led by Daniel Kretinsky's EP Group, claiming to address the crisis that has erupted over the new delivery model, DM26, and to provide "a way forward."

The "Agreed Outcomes" statement is a damage-limitation exercise aimed at blocking postal workers' demands to halt DM26. Rolled out since May, DM26 eliminates one in four delivery duties across more than 80,000 delivery staff, ramping up workloads ahead of thousands of job losses.

The CWU is not in dispute with Royal Mail, it is trying to contain opposition from its own members. The immediate aim of its joint statement, agreed in closed-door talks between Walsh, Royal Mail CEO Alastair Cochrane and EP Group, is to buy time by pausing DM26's further rollout until January 11. This is to ensure no disruption during the lead-up to Christmas, Royal Mail's busiest and most profitable period.

Ward and Walsh made this salvage operation clear in a Letter to Branches on October 26: "Our decision to pause was never about preventing the deployment of DM26." They insist their aim was to secure compliance with the National Agreement. But Walsh authored DM26 based on a commitment to cut £250 million. Promises about resourcing units and service quality were a fraud.

The joint statement does not reveal the total number of delivery offices covered by DM26. Royal Mail previously estimated 90 percent of the network's 1,280 delivery units were covered. Yet the company and CWU now concede that 195 delivery units have more than 10,000 workplan failures, with delivery-point coverage below 90 percent. It refers vaguely to other "units experiencing operational difficulties." Short-term fixes include "loaning surplus colleagues from neighbouring Dos (delivery offices)," "use of rest day volunteers" and "planned pre-start overtime to ensure 'Get Out' times are achieved"—loading more pressure on an already overstretched workforce.

The CWU had promised 6,000 workers would be upgraded from part-time to full-time on a permanent basis, as part of DM26. But only 310 workers have been moved up, despite DM26 having been deployed across a quarter of delivery units in August. The joint statement agrees up to 4,600 will be made full-time before the end of November, with a further 2,500 in January. This is mainly to plug the gaping hole left by staff quitting and a sickness rate of around 6 percent.

The media presented the October 20 talks as the CWU heading towards a "dispute," citing Ward's grandstanding that Royal Mail had "self-inflicted" a recruitment and retention crisis, with weekly departures of delivery staff rising from 330 to 400 since DM26. But this exodus is a direct outcome of the restructuring agenda Ward and his cronies have championed.

As the WSWS reported, Walsh spent months denying the disastrous impact of DM26, citing Royal Mail data claiming delivery-point coverage had improved to 98.2 percent—a boast made in early September, when rollout had reached around 738 of 1,250 units. Postal workers challenged this massaging of figures, pointing to mail piling up, soaring parcel volumes, and delivery spans above five hours, forcing workers to cover up to 15 miles a day. On October 7, Walsh suddenly declared that Royal Mail was a "collapsing service", retreating into closed-door talks with management.

The CWU is seeking to demobilise opposition to the two-tier workforce. According to the joint statement, "talks will commence immediately to produce an

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agreement on the next step of equalisation and full plan no later than January 2027". This merely repeats the date already flagged. New entrants were told to vote for agreements (long ago broken) promising a first step last September and a full plan in December. The "first step" in May involved a pittance: new entrants pegged to a basic national rate of £13.68 an hour—set to dip closer to the minimum wage when it rises to £13.21 next April.

The CWU bureaucracy is functioning as EP Group's labour contractor, driving out senior workers on legacy terms and replacing them with a lower-paid, more precarious workforce. Only a united struggle of new entrants and senior workers for immediate equalisation can stop the gig economy from being entrenched.

Waging such a struggle is vital as the CWU's joint statement speaks openly of a "New Delivery Model" to follow in the footsteps of DM26. This will focus on "continued growth in parcels and tracked products," "changing customer expectation" and "increasing parcel volumes."

DM26 is being rammed through as a staging post to convert Royal Mail into a low-wage parcel courier service. Ofcom's downgrading of the Universal Service Obligation (USO)—from a six-day service to alternate weekdays for standard mail, and from next-day to three-day delivery targets for First Class—is only the start.

The CWU is now calling for "a level playing field to stop the competition undercutting Royal Mail." It claims the Burnham Labour government is prepared to "consider" legislation to end the bogus classification of workers as "self-employed" at Evri, DPD and other low-wage competitors. Yet the CWU has never once attempted to organise these workers, who are denied basic employment rights such as the minimum wage, sickness and holiday pay.

Every pro-company agreement authored by the CWU at Royal Mail has sought to downgrade terms and conditions, with the union bureaucracy setting out to prove it can discipline its members to accept the gig economy. At Parcelforce, Royal Mail's express parcels and courier business, individual contracts already cover 25 percent of the workforce.

The CWU is doing Kretinsky's bidding to capture a larger share of the parcels market. This extends to protecting Kretinsky from fines over the company's serial breaches of the USO, calling for a "new regulatory framework that stops Ofcom damaging the finances of the business." This follows the CWU's declarations to Ofcom on behalf of Kretinsky that the USO was "an unfair financial burden."

Their pro-company agenda is being deepened this month, with a meeting between the CWU, EP Group and the Secretary of State on November 3. The CWU's call for "government intervention" to protect Royal Mail is pure window dressing. The Burnham government dismissed a petition signed by 10,000 people to return Royal Mail to public ownership, replying that "privatisation was necessary" and that Royal Mail should remain in the private sector to "transform the business."

The "Agreed Outcomes" negotiated by the CWU with EP Group deepen the two-tier workforce, accelerate the gutting of the service, and accept the gig-economy benchmark. Ward and the postal executive have no mandate for this. They should be removed from office through a vote of no confidence.

Workers must establish and fully document the impact of DM26—including breaches of health and safety, the driving out of veteran posties, exploitation of new entrants, and industrial-scale breaches of the USO. This means breaking the grip of management-union working groups and establishing direct lines of communication from the shop floor.

Rank-and-file committees are needed in every workplace, answerable to those who carry the mail service. The Postal Workers Rank-and-File Committee (PWRFC) has outlined a strategy to fight back. Its statement, "Royal Mail workers must take charge: scrap DM26, end the two-tier workforce!", demands the transfer of power from the bureaucracy to the shop floor. It calls for abolishing gig-economy conditions, ending the two-tier workforce, and opposes the profit-driven gutting of the mail service by EP Group's private equity investors.



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