

No. 030/24

22<sup>nd</sup> January 2024

**To: All Branches**

Dear Colleagues

## **THE FUTURE OF THE USO**

All Branches would have seen media coverage over the weekend following Ofcom deliberately leaking its report on the future of UK postal services

In response to this the attached statement has been released and this sets out the union's position.

In particular, we would draw your attention to the following key points.

1. CWU believe that Ofcom's report and their claim that this will be open to genuine consultation - is a complete sham. We are in no doubt that Ofcom are testing the water for a three day a week delivery service, which is their preferred option and may well be the preferred option of some of Royal Mail's Board members and senior leadership team.
2. Whilst we recognise there is a legitimate debate to be had on what changes may be required to sustain the future of the USO, we will not standby and allow Ofcom's sham report to take centre stage.

Instead, the CWU will be developing an alternative vision for the future and working with economists and industry experts, who support the continuing need of the USO as an important public service and a major contributor to the UK economy.

3. Whilst there have been some positive signs recently from the new CEO and the new managerial team, we will be making it clear to the company that working together on the future of the USO must be driven by a proper growth strategy.


The best way forward for Royal Mail and our members is for both parties to reach an agreed position on change, alongside the introduction of new products and services, including an expanded role for postal workers. This means the company recognising that its existing infrastructure, fleet and presence in every community, is the real platform to build a successful future for all stakeholders.

4. In developing an alternative vision to Ofcom's report, we will also call for an independent review of Ofcom and its role in managing the decline of UK postal services over many years and creating a race to the bottom across the sector on pay, terms and conditions.
5. We will launch a political campaign to support our vision for the future and this will be set out in more detail at the National Briefing on the 8<sup>th</sup> February. The CWU has been working closely with the Labour Party for the last twelve months to agree a comprehensive regulatory review of the entire sector, as well as agreeing that the Labour Party commits to ensuring the USO remains Royal Mail's central mission. These policies were agreed and outlined in the 2023 National Policy Forum Consultation Document, an extract of which is attached to this briefing. The CWU is having ongoing conversations with the Labour Party and the relevant Shadow Ministers on the best way to protect and sustain the USO in the future.

Please ensure the content of this LTB and the attached statements are circulated in all workplaces.

Further information will be sent out in due course.

Yours sincerely



Dave Ward  
**General Secretary**



Martin Walsh  
**Deputy General Secretary (Postal)**

## **CWU STATEMENT AND PRESS RELEASE ON THE USO**

The early leaking of the details of the OFCOM report on the future of the Universal Service Obligation (USO) to the media sums up the lack of professionalism, integrity and credibility they have as a regulator.

This report, like their previous investigation on quality of service, has been produced without the input of a single postal worker or the CWU. OFCOM have abandoned their responsibilities on quality of service and are now attempting to do the same on the USO.

Debating the future of the postal service in the absence of those who work for it and deliver it every day is completely inappropriate and should tell everybody what OFCOM's real priorities and motives are.

It is therefore no surprise to see OFCOM potentially recommending letter deliveries every other day which is a serious down-dialling of the USO to a level which would threaten tens of thousands of jobs. This is the regulator openly pursuing the failed agenda of the former Royal Mail Group senior leadership - all of whom have now left the company.

The CWU and our members are not blind to the need for change. But we want changes based on the needs of customers, the security of our members' jobs and driven by an ambitious growth strategy that sees the infrastructure, fleet and presence in every community as Royal Mail's key assets.

The CWU will work with economists to produce an alternative and independent view on the future of postal services in the UK and embark on a major engagement exercise with our members, businesses and the public.

This is a huge test of the new leadership of Royal Mail. There have been some positive recent signs but they must now decide whether to back a completely failed vision which will destroy the company or change direction and join the CWU in expanding the role of postal workers and in turn expanding services, job security and profit.

## **Extract from Labour's 2023 National Policy Forum Consultation Document**

Labour believes that Royal Mail provides crucial services to the public, is a key part of our national infrastructure and remains a significant contributor to the UK economy. Labour recognises Royal Mail staff are essential workers. We recognise the mismanagement of Royal Mail has failed both workers and customers and the status quo will not deliver the service customers deserve.

Labour is committed to the Universal Service Obligation (USO) as the company's central mission. The next Labour government will guarantee that the USO is secure for the future and will continue to be provided by Royal Mail in a way that is affordable and accessible to all users and financially sustainable for the long term. This will include a comprehensive regulatory review to improve quality of service and labour standards across the wider sector.

Labour stands against the break-up of Royal Mail and will oppose any attempt to turn this vital service into a "gig economy" employer. Labour will support Royal Mail and unions in the development of plans to expand the role of postal workers, adding social value to our communities and innovative products and services that will support the growth of local and regional economies. To align the interests of customers, workers and the business, Labour will explore different approaches to corporate governance for Royal Mail, which will support growth and embed long-term investment.