

No. 136/24

18TH April 2024

Dear Branches,

UPDATE ON IDS TAKEOVER BID

The news of a takeover bid for Royal Mail Group (IDS) by Daniel Kretinsky is another very significant moment.

It is now clear the bid, made by Kretinsky-owned EP Group, was put to the Royal Mail Board on 9th April and subsequently rejected on 11th April.

The Royal Mail Board have labelled the offer as 'opportunistic', while the bidders point to the lack of progress in several areas in the company and a willingness to engage with all stakeholders, including the CWU.

The truth is handing over the ownership of one of the UK's most important institutions to a foreign equity investor cannot be right. The vulnerability of Royal Mail Group to this type of bid is a clear demonstration of how privatisation has failed. However, we must be equally clear that the direction of the current Royal Mail board remains unacceptable.

Royal Mail needs a new ownership and governance model that builds a postal service for the workers and customers- not one solely focused on shareholder payouts, driving down the service and the terms and conditions of postal workers.

The CWU will be campaigning publicly and politically to deliver this change of direction for Royal Mail. The Labour Party has already committed to a comprehensive regulatory review of the sector and to exploring new models of corporate governance for Royal Mail. We have subsequently engaged the Labour Party and will meet formally with them in the coming weeks to develop their position and seriously explore the alternatives to the current model. We will also remind Labour of their official Conference policy to renationalise Royal Mail.

In addition, we will be writing to the Government to express our concerns and seek assurances regarding any interventions they may make, given that scrutiny is clearly required for a takeover bid of this nature.

We have also made contact with Royal Mail at the most senior level.

We are seeking assurances from all concerned stakeholders in this process, regardless of the ownership of the company. Aside from the obvious assurance of the security of postal workers' jobs, another reassurance we are seeking is that the pension surplus, related to the new pension system being introduced in June, will not be taken by the company or any stakeholder and instead, will be used to invest in the service and workforce. We will continue to meet with the company and relevant stakeholders to ensure any outcome provides the best possible future for postal workers.

By law, EP Group now has until the 15th of May to launch a formal offer or withdraw from the process. We will keep members updated with any developments related to this matter.

We recognise this is another challenging moment and one that follows on from a huge dispute with the employer and a continually difficult workplace environment. That being said, this must also be seen as an opportunity for the voice of postal workers to be heard. We now have the Ofcom report on the future of the Universal Service Obligation (USO) and the takeover bid raising awareness of the challenges facing the UK's postal service and the workforce.

We can assure members that in an election year, we will maximise every opportunity possible to apply pressure to all political parties and the employer on the future of Royal Mail.

Finally, we will be holding a live session with CWU members on this matter in the next couple of weeks. We will confirm the date and time shortly.

If you have any further queries, please contact the General Secretary's Office at jdunn@cwu.org

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General Secretary

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