

No. 044/25

24<sup>th</sup> February 2025

## TO ALL POSTAL BRANCHES

Dear Colleagues,

### IDS TAKEOVER – CWU/EP GROUP AGREEMENT

The purpose of this LTB is to provide Branches and Representatives with a comprehensive update on EP Group's bid to takeover IDS and the approach CWU is taking on the implementation of our recent agreement.

#### Progress on the Transaction

The union is aware the only outstanding regulatory hurdle for EP Group to overcome is clearance from the Romanian Government. This is because GLS (the European parcel company owned by IDS) is currently seen by the Romanian Government as a critical part of their country's infrastructure. We understand this has caused some delay to the process, although it is not seen as a barrier to the transaction being completed and this is expected to be resolved soon.

Once the above matter is resolved, the process to conclude the shareholder vote (currently suspended) will recommence for a statutory period of 28 days. From all the information we are aware of and what we have observed with market activity, when the vote is concluded we believe EP Group will meet the threshold required to complete the transaction. It is expected that providing all the issues set out above are resolved, the transaction is likely to be concluded around the end of March 2025.

#### Members Individual Shares/Voting Rights

An important issue to highlight is that we have been made aware that a very significant number of CWU members/Royal Mail employees have not yet cast their vote. Once the 28-day period is triggered and the closing date for the shareholder vote is known, the union will be sending out further communication to ensure our members know the closing date and what their entitlements are in casting their vote. **However, we are not in a position to give members financial advice on these issues.** We also understand that Royal Mail will be sending out further communication to ensure our members are fully aware of the full implications as individual shareholders in this process.

## **Implementation of the EP Agreement**

Notwithstanding the fact that the CWU/EP Agreement is conditional on the transaction being successfully concluded, we held further positive talks with EP Group recently on the most effective way to meet the timescales set out in the agreement and implement its spirit and content in full.

As a result, we can advise branches that advanced planning has commenced on how we will take forward all the crucial negotiations on Section 5 (resolution to outstanding issues)

Therefore, the negotiations on Section 5 will commence fully in March and will cover the following:

- Pay
- Equalising new entrants' pay, terms and conditions over an agreed period within a career path.
- A new resourcing model which addresses quality of service, retention levels and morale.
- Improved sick pay arrangements.
- Review of Scheduled attendance and overtime rates.
- Review of voluntary redundancy payments.
- Reduction in agency costs.
- A performance incentive scheme.
- Pilots on new ways of working.

These negotiations will be led by the DGS(P) and the National Officers.

It is important that branches are reminded that the EP Group agreement also commits Royal Mail to any final agreement on the USO being conditional on progress and implementation within agreed timelines of the issues set out in Section 5 and listed above.

We also had positive talks recently on the implementation of the new governance structures and how the advisory committee will interact with both the IDS and RMG Board's, including the changes that will need to be made in the company's articles of association. Additionally, we will be finalising the new mission statement over the next few weeks to ensure this is ready for publication at the point of the transaction being concluded. A key part of our discussion was the need for EP Group to demonstrate to our members their commitment for a fresh start in every office and new way of the business being run at all levels is real. We are confident that EP Group understand that the current management culture must change and that our members will expect a significant communication directly from the new owners to demonstrate their commitment to a complete reset in employee and industrial relations.

Further information on these important issues will be sent out in due course.

## **Communications with Members**

We can confirm that in the near future we will be writing to members home addresses explaining in more detail all aspects of the CWU/EP Agreement and setting out our vision for the future of Royal Mail. We are conscious that given our initial communications on the agreement took place in December, there is a need for all Branches and Representatives to refresh our understanding of the agreement and what needs to be done to fully implement its spirit and content.

Therefore, we will also be holding briefings, at the appropriate time, including separate communications for our representatives on how to address our members on all of these issues. The communication to members home addresses will also set out our views on the future of the USO and explain our next steps.

## **Relationships with the existing RMG Board and Managers**

Finally, we continue to recognise that our members are not seeing a real change in the attitude of management at all levels. The truth is this is not going to happen whilst the current RMG Board and certain senior managers remain in place.

We know that factions within the current board and some senior managers are opposed to the content of the EP Group agreement. This is because it gives the union and our members a greater say over the future direction of the company and reverses the policies management pursued during and after the dispute, when attacking our members and representatives. As we approach the point where our agreement with the EP Group will be launched, we will be providing branches with further important information on what happened during and since the dispute, including the Lord Falconer review and agreement.

Yours Sincerely,



Dave Ward  
**General Secretary**



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