

Industry Profile

- Amicus/CMA represents some 13,000 communications professionals of whom the majority are managers in Royal Mail.
- Royal Mail is a public limited company wholly owned by the government.
- Its annual sales are in excess of £8 billion and it has over 200,000 employees.
- The Business operates under a number of brand names, the most well known include Post Office Ltd, Royal Mail and Parcelforce Worldwide which are divided into various business units.
- It collects, processes and delivers 82 million items to 27 million addresses every single day.
- The post office retail network is the largest retail network in Europe with over 17,000 branches.
- The Business was renamed “Royal Mail Group” following a brief spell as the loss making “Consignia.”
- A new executive board was appointed under the leadership of Allan Leighton.
- The Recovery Plan, initiated in 2002, aimed to lose 30,000 jobs over 3 years.
- Following the Recovery Plan, the Business is on track to make £2 billion profit in 2004 and a total £4 billion profit by 2005.
- Competition was introduced into the postal market in 2003 with a view to full liberalisation by 2007.
- Royal Mail is the only licensed Operator with a Universal Service Obligation.

Current Issues and Activities

- The Managerial Headcount Review, announced in December 2003, aimed to make a further 3000 managers redundant. It was hoped that most of these would be lost through a process of voluntary redundancy and early retirement but there remains to date a number of managers considered “surplus.” Royal Mail has not ruled out the possibility of compulsory redundancies and has also talked of changing the terms of the redundancy agreement for those leaving the Business after a certain date. Amicus/CMA section has made it clear that we will ballot our members for industrial action should Royal Mail resort to compulsory redundancies or seek to alter the terms of the redundancy agreement.
- This year Royal Mail signed agreements with Business Post, TNG and Deutsche Post to allow them access to the “final mile” stage of the delivery network. Rival Operators can now offer alternative services within the more profitable areas of bulk mail and business-to-business delivery. The full effects of Direct Access on Royal Mail with regard to potential losses in revenue, volume and market share are as yet unknown.
- The Regulator, Postcomm has announced its proposals to accelerate the full opening of the postal market to 2006. It has also announced its intention to lobby the Government to remove Royal Mail’s exemption from VAT. Unions are opposed to both judgments and will campaigning against.
- The Recovery Plan is dependent on the success of two major changes: the Single Day Delivery and Transport Review. Royal Mail has been much criticised for its failure to meet its targets particularly in delivery of mail. However, the Business maintains that there is now evidence of improvement.
- In 2003 the Government introduced a system of direct payments of pensions and benefits into bank accounts, thereby severely reducing the amount of transactions necessary at post offices. The loss of revenue to post offices as a result of direct payment is likely to lead to the closure of more rural and urban post offices and could lead to the break-up of the network nationally. Furthermore the Post Office Card Account, introduced in order to compensate for the loss of revenue and to accommodate those users without access to bank accounts, has been severely criticised for its limitations and unnecessary bureaucracy.
- Bullying and harassment have reached unacceptable levels and Royal Mail is currently subject to a 3-year review by the EOC following complaints of sexual harassment. The Business is endeavouring to work in partnership with the unions to change this