

Business and Trade Committee

Oral evidence: Royal Mail, HC 1796

Tuesday 24 March 2026

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Members present: Liam Byrne (Chair); Dan Aldridge; Antonia Bance; John Cooper; Sarah Edwards; Alison Griffiths; Justin Madders; Charlie Maynard; Nick Smith.

Administration Committee Member present: Nick Smith

Questions 1-34

Witnesses

- Martin Walsh, Deputy General Secretary (Postal), Communication Workers Union; and
- Dave Ward, General Secretary, Communication Workers Union.

Examination of witnesses

Witnesses: Martin Walsh and Dave Ward.

Q1 Chair: Welcome to today's session of the Business and Trade Committee, as we open our inquiry into the performance of Royal Mail. Dave Ward and Martin Walsh, thank you very much indeed for joining us today to help us set the stage. We have a lot to get through over the course of the afternoon before votes, which we expect just before 5 pm. We will try to ask short questions and we would appreciate short, punchy answers. Dave Ward, I will start with you. Help set the stage for us. You are deeply experienced in working with Royal Mail. How bad has the service at Royal Mail now become?

Dave Ward: At the moment, the service is chaotic. To find the people who are responsible for that, you have to go back a few years—I will explain that. For workers, it is a demoralising environment. All they want to do is come into work, be able to deliver their deliveries and be able to do what they always used to do, which is deliver for customers. Now, they come into work and they know that pretty much on a daily basis, it is extremely difficult to get through all the workload. It is not unusual for them to come in, perhaps after a rest day, and see all the previous day's work there in terms of letters, so they have double the amount of work going out the following day.

Q2 Chair: So frontline staff are basically seeing the workload back up at offices? Is that what is going on?

Dave Ward: I do not know whether it is happening in every office, but we can say that in the majority of offices, that is the experience of frontline postal workers. Everyone talks about letter decline, but the Committee needs to recognise that a frontline postal worker never sees a decline in their workload, because, over a number of years, there has been a reduction in postal workers of, I think, 20,000 since privatisation. Their routes do not get any easier; they get harder. As you deliver more parcels on a daily basis, including tracked parcels, there is a greater requirement—a different type of workload—that takes more time. I think every postal worker would say that they do not really get the time to do the job properly.

Q3 Chair: Give us some examples of the kind of chaos that your members report to you.

Martin Walsh: Over the last 12 months, ahead of USO reform, they have been holding a lot of vacancies, because they cannot afford to pay voluntary redundancy when we go into USO reform. In lots of units, there are not enough individuals to do all the duties. Managers move the individual on to other walks and no one covers their duties, so when they go back there, they have two days of work. Some of our members now dread going on to a rest day or even annual leave, because they come back with loads more work in. You also have a retention crisis, where 11% of the old contracts are leaving, but 50% of the new contracts leave within

the first 12 months. You cannot resource for that. Since 1 December 2022, 28,000 new entrants have joined and left.

Chair: Good grief.

Martin Walsh: It is a crisis that is waiting. What Dave said is spot on: letter decline is there, and people are downtrading from first class to cheaper products, but what has not been taken into account is the growth in parcels that our members have to scan the parcel in doors and knock on the door of each address to deliver, as well as age verification. They are working harder than ever in really challenging conditions because they cannot clear the workload every day.

Q4 **Chair:** A lot of evidence from post workers around the country has come to us, and BBC Voices has collected lots of evidence from the people who have contacted them. The impact that they describe shows that people are not getting their post, so are missing medical appointments, important court documents—you name it. This is having a real impact on people's lives up and down the country; it is badly affecting our national life. Are you hearing that kind of feedback too?

Martin Walsh: Yes. There is a pyramid process where Royal Mail put out what they prioritise. If you can imagine someone going along to a duty that has not gone out for a couple of days, there is a prioritisation list—it is the pyramid I have with me here—that goes from special delivery, first class parcels, tracked, down to 48 hours tracked, second class and downstream access, which is about 80% of letters. It is understandable why people are seeing delays: it is because of one, the retention problem, and two, the fact that they have not resourced to the template because they are waiting for USO reform to be deployed.

Q5 **Chair:** I imagine that a lot of Royal Mail customers get quite angry about that. Are frontline postal workers at the receiving end of some of that anger?

Martin Walsh: Yes, they are. Our members, and all the employees, want to deliver. They know their customers, and some feel very aggrieved that they are told to leave doctors' letters and hospital letters in the frames to prioritise tracked. We often get feedback on that issue. They have also banned overtime in some—

Q6 **Chair:** I just want to make sure that I have heard you correctly here: you are saying that frontline postal delivery workers are sometimes told that they have to leave things like doctors' letters in the rack in order to prioritise other post.

Martin Walsh: Yes, because they are told to prioritise in that pyramid order, with special delivery items first, past tracked and first class, and then to downstream access and second class further down the line.

Q7 **Charlie Maynard:** Good afternoon; thanks for coming in. To what extent have you seen a change since EP took over last April? Have you seen any particular changes linked to that?

Dave Ward: It is important to go back to what the previous board implemented. The reason for service failures happening so regularly is that the board previously took some key decisions that affected this. I will come on to the EP point in a minute, but essentially, you have to go back to 2022.

We dispute completely what Royal Mail says about this being a short-term problem. Committee members, or their predecessors, will remember Royal Mail being in here to answer the same questions twice before, including once under oath, which I think was unprecedented, when the previous CEO was asked to come in and accused of not telling the truth. Our view is that Royal Mail never tell the truth about the scale, extent and reasons for the existence of these quality-of-service problems.

There are primarily three reasons. One was a financial one. During covid, there was an explosion in the number of parcels, which Royal Mail's profits benefited from. After that, in 2022, at the start of the cost-of-living crisis, they decided to give away virtually all their profits—almost £600 million—to shareholders in dividends and buy-back schemes, rather than investing in workforce pay and the transformation programme. In the dispute that we had in 2022, you may recall—

Q8 **Chair:** Let me make sure that we have absolutely understood this. You have a service that has had a windfall post covid and is going through difficulties with transformations, and that is the moment when they choose to take £600 million out of the business.

Dave Ward: Absolutely.

Q9 **Chair:** To who? Shareholders?

Dave Ward: It went to shareholders in dividends and buy-back share schemes. That is a matter of fact; you can trace that in their accounts, and you will see that that is exactly what happened. The important point we are making is that, once they did that, within a matter of months they were claiming that they were almost bankrupt. If you look at their accounts subsequently—we are not saying there was not a financial problem—about 18 months ago, in the previous year, they were minus £380 million. The point we are making is that they never really recovered from that point.

The second thing they did was introduce, under what we see as an appalling managerial strategy, something called "It's our business to run". That was about imposing change in every local workplace, and incentivising managers to reduce delivery routes. The chaos started from then, which is why you can trace this back.

Q10 **Chair:** Can you put just a rough date on that?

Dave Ward: That would probably have been mid-2022. That imposition of change affected virtually every delivery office, as they drastically reduced the amount of delivery routes. What happened then was that nothing ever worked.



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The next thing they did, as part of this strategy that alienated the workforce—this is crucial—was deliberately attempt to drive out long-term employees. They did so by making changes that made the lives of postal workers unbearable, and they did it through loads of different techniques that bordered on bullying staff, so a lot of people left. They did that because they could then impose two-tier terms and conditions that offered about £2 an hour less than what the legacy postal workers were getting, or three hours more and no paid meal reliefs. That meant workers doing a full-time job knew that other workers were working six hours more for less pay.

Chair: I am keen to pursue this in a bit more depth. Anything further on that, Mr Maynard?

Q11 **Charlie Maynard:** Yes. Just what undertakings did EP give your members when the takeover was completed, and has it honoured those commitments?

Dave Ward: When EP took over, there were two very important agreements—this obviously came after the Government cleared EP as fit and proper to take over Royal Mail. Once that happened, we knew we had to go and try to get the best agreement we could. We also knew our members had lots of legitimate concerns about this takeover.

The Government reached an agreement with EP—I think it was 35-pages long—and it covered things like institutional stability and financial stability, and it put down some good assurances that EP would not extract money out of the business. It also gave pension assurances.

We got in there and reached an agreement that set out a positive vision of the future, which could not have been further removed from the previous board's strategy. It included commitments to completely change the managerial ethos that I referred to, so that it moved to an ethos that promised to put postal workers and customers back at the heart of everything that Royal Mail did.

It also gave our members legally binding protections. We managed to extract commitments from EP that they would not break up the company—they would continue to operate as an end-to-end service provider, without franchising or selling off any part of the company. It was a good agreement. They also gave us guarantees on having no compulsory redundancies, as well as commitments on resolving a range of outstanding issues that were held over from the previous board.

Q12 **Chair:** Since that deal was agreed, Mr Ward, has EP Group basically drifted from the deal?

Dave Ward: Let me make just a couple of other points. One of the key parts was that it agreed to introduce a new resourcing model, and it agreed to reverse the two-tier workforce. It also agreed to level up over a period of time—it was not going to happen overnight. A first step was meant to be agreed in September 2025, and the full plan for levelling up and equalising terms and conditions was meant to be agreed last

December. Since that agreement—no doubt we will come on to talk about it, around the USO—our view is that they are not now honouring that agreement.

Chair: Okay. Let's get into that in a bit more detail.

Justin Madders: First of all, I just want to thank your members for the work that they do, because I know that it is a physically demanding job and that, as you have already set out, there are resource issues. Having spoken to my local delivery officers, I know that New Ferry is supposed to have 64 postal delivery workers and, with various absences, they are down to 52. The Ellesmere Port office is meant to have 82 and, with various absences, they are down to 70. What I am being told is that those gaps are not being filled. That means that—as you have already described, Martin—people come in after their days off to find that the work has not been covered. Is that a fair reflection of what you hear across the board? And what is your understanding of how the company is dealing with overtime to help deal with these gaps?

Martin Walsh: There is a retention crisis. Royal Mail will say that it is not difficult to recruit, but what is clearly not happening is people being retained.

You have got someone who came in after 1 December 2022 who will be on £1.95 less per hour than someone working in the same van and doing the same street. It is only 85p more than minimum wage. Often new entrants and old contracts will be walking the streets on a delivery for six hours in all weathers, which is why the retention levels are so low.

We agreed with Royal Mail and EP that we would have a resourcing strategy and that we would equalise new entrants' terms and conditions over an agreed period of time. We are still in talks over the first step. But unless there is an important first step, you will still have a retention problem. And you will never improve quality if 50% of your new entrants are leaving in the first year. It will be a resourcing nightmare for any manager to adhere to.

Q13 **Justin Madders:** What I am trying to understand is this: when you have those retention issues and those workforce gaps, what is local management doing to make sure that letters and parcels are being delivered?

Martin Walsh: What they should be doing, and they are not doing this in all units, is offering overtime and offering people rest days to come in to cover overtime. What Royal Mail often do in this period of time leading up to the financial year is to say, "We want to turn into black ahead of the financial year", and they put a stop on some of the overtime. That is the report back in lots of units, that overtime is being switched off and rest-day working is being switched off, and walks are being left in the frames.

Q14 **Justin Madders:** In those circumstances, it's no wonder that the USO is not being met.



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Dave Ward: We have to be clear here—for Royal Mail, this is a self-inflicted problem. That is the point we are making. They have chosen to make a number of decisions that completely devalue a postal worker's job. The job has got harder and the pay, terms and conditions have got worse. Our view is that the reason for that is that the company has not got any strategy other than almost looking over at some of the other parcel couriers and believing that that is the way you run the company.

Our view is that if it had not been for the agreements that the union had, which are yet to be honoured fully by EP, they would be pursuing a strategy of becoming just another parcel courier. We believe that there are certain people in the company who want to accelerate letter decline. We think that they see it as a burden, when there are still millions of people in this country—we are not like Denmark. We are not as digitally advanced as a country and letters are going to continue to play a vital part going forward.

Q15 **Chair:** How senior are these people, Mr Ward?

Dave Ward: Well, on the agreement that we made with EP, I said to you that it reversed the previous board's strategy. We know that an agreement that was probably one of the most important in the history of the company—a takeover—has taken place. The Government had an agreement. They, the senior managers, never ever sent that agreement out to their local managers. So, for all the stuff about changing the managerial ethos, to this day they have never socialised that agreement with their managers.

Chair: Extraordinary. Mr Madders.

Q16 **Justin Madders:** On that framework agreement, there are a number of important issues that need resolving. Equalisation for new entrants' pay is supposed to have been agreed within six months of the takeover, and that has not happened.

Dave Ward: It was not that they were going to agree it. There were going to be incremental steps to it. There was a proposal on the table last year that would have taken, I think, about four years to get to the full levelling up. Martin was negotiating that proposal with the Royal Mail managers, but EP came along and said that they thought it was too complicated. To be fair, there were some complicated elements of it, and we were always up for a quicker or less complicated route. But EP said to us that they wanted to go away for their summer break, and when they came back they were going to put a new proposal forward. They have never put a new proposal back on the table, and thus we have made no progress whatever on that crucial commitment.

Q17 **Chair:** And this is since when?

Dave Ward: Since last summer.

Q18 **Justin Madders:** Martin, can I ask about the pyramid that you referred to? What status does that document have? Is it a management toolkit? Is it issued to all postal workers?

Martin Walsh: It is a management document, and it was put into all delivery offices. I think it was the beginning of this year or late last year.

- Q19 **Justin Madders:** Okay, so when Royal Mail say, "We don't have a policy of prioritising parcels," you would say that it is there in black and white that this is exactly what they are doing.

Martin Walsh: Yes.

Dave Ward: Can we be clear about what Royal Mail have done? Last time, when the Committee exposed what was going on, they were putting out direct instructions, and some of those were produced. What they do now is almost create a kind of logic that takes you indirectly to the same point, but they have learned from what the Committee saw last time, so they don't put out instructions directly that say, "Let's prioritise parcels over letters." As Martin says, they create this pyramid that leads managers, when they haven't got the resources available, to have to do that.

- Q20 **Nick Smith:** In our south Wales valleys, there are sometimes many steps to a letter box—our posties earn their pay. Can I just check a fact with you, please, Mr Walsh? Did you say that there are 28,000 new starters and then leavers in the last year?

Martin Walsh: Yes, new entrants were imposed by Royal Mail on 1 December 2022, and as of October last year, 28,000 people had joined and left Royal Mail.

- Q21 **Nick Smith:** And that was the 50%.

Martin Walsh: Yes, and that also says that 50% of those who join leave within the first year.

- Q22 **Nick Smith:** I am trying to work out what is going on here. I received a letter from the Wales operations director of Royal Mail about the Ebbw Vale office, and they told me that the yearly absence rate there is 9%. I understand that the Royal Mail average for absence is 7%, and the overall sickness rate for the UK is 2%. What is going on?

Martin Walsh: Sickness levels range across Royal Mail. What we are looking at is 5.5%, and some units are above that. You have to remember that it is a very labour-intensive job. People are out in all weathers, walking five to six hours—over 20,000 steps each day. The average age in Royal Mail is 48, so there are lots of hip, knee and back problems. Also, since covid, all industries have seen a rise in mental health issues, and Royal Mail is no exception—it has seen those issues.

- Q23 **Chair:** Mr Walsh, do you have evidence of a toxic culture in some frontline delivery offices?

Martin Walsh: Yes. Part of our agreement with EP is to have a fresh start—a reset of employee-industrial relations. As Dave said, some managers are still operating "our business to run", and the atmosphere and employee-industrial relations are poor. Part of what we have been discussing with Royal Mail and EP is how we reset industrial relations and employee relations in all workplaces.

Q24 **Chair:** Is that evidence that you can share with the Committee, at the appropriate level of confidentiality?

Martin Walsh indicated assent.

Dave Ward: There is other evidence that, as part of the toxic managerial culture that exists, back in 2022, Royal Mail launched an attack on their own workers—on anybody who spoke out, whether they were a member or a rep. There were 135 people who were sacked on trumped-up charges. Through the union's efforts to get Royal Mail to acknowledge that those cases had to be looked at, we managed to get an agreement to bring in Lord Falconer—Charlie Falconer. He did a review and clearly came down on the side of what the union was arguing: that these were trumped-up charges.

On the back of that, we reached an agreement, and the net result was that 130 of the 135 people who were sacked got their jobs back or got compensation if they wanted to move on. We negotiated a package. There were another 90 or 100 people who had been suspended—dismissal—for months, and people with compulsory transfers. With the help of Charlie Falconer, we got all of that revoked. The union has also made allegations, which are very clear, in writing, and we are happy to share with you, about a culture of covering up and of bearing down on workers, which is just not a good work environment.

Chair: We would appreciate that evidence, Mr Ward, because it is corroborated by whistleblower evidence that has come in to the Committee.

Q25 **Sarah Edwards:** Thank you very much for the wide-ranging information you have given so far. I want to return to the issue of letters and parcels. You have brought a lovely diagram of a pyramid with you.

Chair: Can you hold that up for us again, please, Mr Walsh?

Martin Walsh: There is also another one here.

Sarah Edwards: Oh, another diagram, okay. They are very clearly given to—the management and the shop floor, is it?

Martin Walsh: Yes.

Sarah Edwards: They are given to everybody to look at and to use to prioritise. That clearly details that parcels are more important than letters. We have information that sometimes people can have 170 to 230 parcels a day, and they may take three minutes each to deliver. I am not that good at maths, but that sounds like much longer than a day to me. We have also heard that some whistleblowers, who are quite fearful—you have just mentioned the targeted impact that that can have on workers—have said that when there are too many letters, they have to take them for a ride. They literally put them in a trolley and drive them around or move them around to try to falsify the meeting of targets. That is some of the information that has come out of the BBC Voices piece, and

whistleblowers have written directly to the Committee.

I just wonder whether you can put some colour on that. It is certainly very concerning if people are being forced to try to make ends meet when it is completely impossible, and if these targets are being completely fudged and parcels are being prioritised over letters that, as we have heard, can be extremely important to people's lives.

Martin Walsh: If your duty has not gone out on a day, you are often coming in to loads more parcels and letters. Because parcels are getting larger, managers often say, "For health and safety reasons we're going to prioritise parcels." What people do not realise is that most parcels need scanning in before you go in, and that is taking time. Obviously, you then have to deliver them—knock on the door, deliver to a neighbour, etc. On some occasions, that is all you can do. Some of our members are doing 130 tracked per day at times; you cannot do anything else. Some managers are almost saying, "You've got to complete. Stay out there." That is bullying, and we have lots of people who come to us on that. It is not every manager—I am not saying that—but there are managers that do that. This is where the overtime ban comes in and stops the overtime.

Q26 **Sarah Edwards:** Has some of that been lifted since this Committee session was announced? Has there been a bit of an alleviation?

Martin Walsh: We are still getting reports of overtime bans.

Q27 **Antonia Bance:** It is good to see you at the Committee; thank you for attending. I want in particular to say thank you to the dedicated postal workers in the west midlands who do an excellent job under difficult circumstances.

I was talking to one of the workers in Wednesbury DO and he said, "We've got so many parcels to deliver on a daily basis nowadays that there's not enough time to do mail. If we go four bags a day, that's about the average. Between me and my partner, we should do 16. We're now getting like 150 parcels a day at three minutes each, they give us. That's 450 minutes just on parcels—between two of us, granted, but then there's hardly any time left to do mail. We are told that parcels are more important than mail."

Martin and Dave, is that a picture that you recognise? Is this the sort of experience that frontline posties are having every day—unmanageable workloads and prioritising parcels at those sorts of volumes? Four bags versus the 16 that they ought to be able to do.

Dave Ward: Yes.

Martin Walsh: Yes. In 2023, they took out almost 10,000 delivery jobs. They said it was to save the company from administration, but some delivery offices have never recovered and have an unachievable workload. If you add the fact that tracked items went up by 30% last year and the number of parcels is still growing—but because of the bogus self-employment model, the revenue in parcels is not going up as much—some



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of our members' walks and duties are unachievable. Parcels and tracked mail are growing at such a level, and letters, while declining, are still quite significant. Because of the number of jobs that have gone, our members are working harder than they ever have, and they are not able to cope on some of these deliveries.

Q28 **Antonia Bance:** The same postal worker said to me that they got 200 houses added to their delivery round when the rounds were redone, but there are fewer of them to do it.

Martin Walsh: That is where the jobs went in 2023. The previous CEO, Simon Thompson, said, "To save the company, we're taking 10,000 routes out." They did not take the walks out; they were asking individuals to go and do some of the other duties. That is where the new addresses came from, and they cannot complete those rounds.

Q29 **Chair:** I just want to understand what is going on with the new delivery model that was being tested. Frankly, to the nation, it doesn't sound like it is working. Have Royal Mail now admitted that the new delivery model does not work?

Martin Walsh: We piloted 35 units, the first in Newton Mearns last February and then the bulk of them in June last year. In our view, it is clear that they have not worked. There were a possible 175 quality targets that those 35 units could have done; only 46 of them were achieved. No unit did all five quality targets.

Q30 **Chair:** That doesn't sound like a close miss.

Martin Walsh: No. In August last year, we wrote to Royal Mail to say there was an alternative heavy and light model. We are pleased to say that in negotiations in recent weeks, we have been discussing that model, and we are not discussing the optimised delivery model. We have not yet reached an agreement.

It is important to say here that any USO change, given the rise in parcels and tracked, is going to be difficult. That is why there has to be a review, once an office goes in, that says, "You don't lose the jobs until you are achieving 99% USO coverage and clearing every single day." If you are doing that, that is where the reduction in jobs should come from.

Q31 **Chair:** It sounds like there is a mutual recognition that the model needs to evolve and it sounds like you are in some constructive talks.

Martin Walsh: Yes.

Dave Ward: To be fair, though, that has happened against the will of the company. It has taken months. Our view is that it is only the scrutiny that the Secretary of State has brought to this—he has brought all the parties together—that has given a focus on it. But we are pleased that, as Martin said, they seem to have—we are not there yet—moved away from the model that was piloted, to a different approach that gives postal workers a more pragmatic chance of being able to deal with the USO reform.



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Can we make this point to the Committee? We cannot lose sight of this. It does not matter what model comes in on USO reform; if you do not have the staff in the office, and if you do not fix the retention crisis that Royal Mail has created with lower wages and inferior terms and conditions, the quality of service will never improve. They think it is a silver bullet. What we are saying is that we understand the reasons for it and we are willing to reach an agreement on it, because it is hopefully part of rebalancing their investment in other areas in the future to grow new revenue streams, but at the same time, if they do not fix the retention crisis, quality of service problems will not just continue, but get worse.

Q32 Antonia Bance: I am glad to hear that Royal Mail are back around the table talking about delivery models and how you can make progress on that. I am also glad to hear that the intervention of the Secretary of State has been helpful. The other issue that needs sorting out is the two-tier workforce. You were on a timetable to get that sorted out. There was supposed to have been movement in summer 2025. Is that on the table for this new set of conversations and—I think I know the answer to this question—should it be?

Dave Ward: It needs to be. You are going to hear Royal Mail later on today try to claim that the reason that they cannot do that is that they can no longer afford it, because the savings they thought they would achieve from the USO, which were targeted savings that were never realistic from either Ofcom or the company, are not going to be achieved now. As Martin said—this is really important—the jobs went the previous year. They took out too many jobs. We are seeing with the pilots that, in some places, they are now actually having to increase the number of jobs that are going back in. That is obviously welcome, but on how that rolls out nationally, I come back to the point that, at the moment, all they have put on the table is a kind of self-funded first step.

They are going to say that we are holding that up. Well, the reason is that the agreement that we reached said—it was very clear in the agreement—that USO reform was conditional on all these other issues, including the equalisation being progressed and implemented. You are also going to hear them say that there was a joint aim when we secured a three-year pay deal, which was a decent pay deal, to agree the USO by July last year. The point we are making is that that was also conditional—it was very clear in the agreement—on a proper evaluation of the pilot sites. Royal Mail refused to evaluate the pilot sites.

Chair: Mr Ward, I want to move on to where you think there is common ground. Do you want to open that, Mr Cooper?

Q33 John Cooper: Thank you, Chair. I should say that I have a relative who is a postman in Dumfries and Galloway.

I printed off from your website this document, "Rebuilding Royal Mail", which talks about the deal you did at the time. It is full of really warm words; there are great things about pay, additional earnings, opportunities, improved voluntary redundancy and so forth. Some people



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think that this is the document that persuaded the previous Business Secretary to let this deal with EP go ahead. Comparing that with what you are telling us today, you seem to be a million miles apart. Is there common ground, or is the Government going to have to intervene here?

Dave Ward: I am not sure that you have the original deal there. There were two deals. The first was "Rebuilding Royal Mail Part 1", which was the deal with EP that had all the commitments I spoke about earlier, including, by the way, a radical new governance structure—it was the first of its kind in the UK, and it was facilitated by the Government and ourselves; it was our idea—to give workers a greater say over the future direction of the company. We have been saying for ages that if you don't get the workforce on board, Royal Mail will never be successful.

We did an audit of that agreement, and it shows that, out of about 15 very clear commitments, only about two have been dealt with, so we are still a long way away. The Government called both parties together. We have had two tripartite meetings. In our last meeting, last week, the Secretary of State acknowledged that he needs to take oversight of delivering that agreement and getting it back on track. We welcome that. That is one of the things that we think has helped us move some of the talks forward. We are not there, though. Royal Mail have a culture of saying that they are going to agree something and then, at the last minute, moving away from it. But, as Martin said, we have seen a bit of a change in the talks recently. Our view is that that is about the scrutiny that you have provided and the scrutiny that the Secretary of State has provided. We need that to continue.

Q34 **John Cooper:** So you think those talks are going to continue. Do you think that there is an opportunity to avoid a return to industrial action, for instance?

Dave Ward: We do not want to be in a position where we have to take industrial action but we cannot rule it out. We have a really important agreement and I urge the Committee, when you get a moment, to read it. It is a very easy read; it is not one of these complicated agreements. It lays out a totally different vision for the future of Royal Mail—one that our members would get behind.

The problem is that Royal Mail is not delivering it, even with a simple thing such as sending the agreement out so that its managers know what is in the deal. You would have thought that would be the first thing Royal Mail would do. It has ignored that. There are a lot of things that we need to talk about regarding how Royal Mail can be successful in the future. Hopefully we will get on to that.

Our view is that if Royal Mail does not honour that agreement and if the Government does not hold it to account, because they also made an agreement with EP Group—so if those two agreements are not honoured—the Government need to renationalise Royal Mail.

Chair: Okay. Mr Ward and Mr Walsh, you have set the stage very



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effectively for our hearings this afternoon. Thank you very much indeed. I would be very grateful if you, Mr Walsh, would submit those documents that you kindly handed out to the Committee so that we can admit those into evidence. That concludes this panel.

Dave Ward: Sorry, are we not going to get an opportunity to ask or answer any questions about Ofcom? We also have a very strong view—

Chair: I am afraid that the clock is against us, Mr Ward, so we will conclude this panel.

Dave Ward: We will submit evidence.

Chair: We will very happily ask you to follow up in correspondence as part of the report that we publish.

Dave Ward: We need regulatory change. We need a review of regulation.

Chair: I suspect this will not be the last panel that we have on this topic. Thank you very much indeed for your evidence this afternoon.