

Royal Mail to sack 700 despite service issues and Covid staff sickness

Royal Mail staff are regarded as among the [heroes](#) of the pandemic but some of their [jobs](#) are still at risk.

The privatised business said today it will axe around 700 management jobs as part of cost-cutting plans. The move will save around £40 million a year, the company claims, but will cost £70 million upfront.

The [news](#) came as the company revealed that staff absences peaked at 15,000 in early January due to the spread of the [Omicron](#) coronavirus variant.

However, the company revealed that the high peaks of last year eased off over the Christmas period as more shops were open, leading to falls of 4.9% in parcel revenues and 7% in volumes in the final three months of 2021.

Royal Mail employs 140,000 in all, of which 8000 are managers.

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David Beard at Lendingexpert.co.uk said: *“This announcement comes as a shock and seems like an odd time to cut staff numbers in the same month as Royal Mail was forced to apologise as customers experienced severe delays for deliveries”*.

Royal Mail chief executive Simon Thompson said: “With the rise of Omicron, absence has been around twice pre-Covid levels, with around 15,000 staff off sick or isolating in early January. Thankfully, this is now improving.

“We have today entered into formal consultation on a management reorganisation to further streamline our operations and, at the same time, improve focus on local performance.

“We are committed to conducting the process sensitively, working closely with our people and their representatives.”

Royal Mail shares today rose 16p to 452p. They floated at 330p in 2013.

Russ Mould at AJ Bell, said: “In streamlining the business, Royal Mail needs to ensure it doesn’t go too far and diminish its operational capability or spark widespread industrial action, the threat of which has hung over the business in the past.”