

Royal Mail plans to make up to 6,000 roles redundant by August

Royal Mail has announced it will begin a process to make 5,000 to 6,000 roles redundant by August next year.

The announcement, made in a trading update by the postal service's parent company, has been blamed on [industrial action](#) taken by [Royal Mail](#) workers, delays in improving productivity and falling parcel volumes.

A process of "consulting on rightsizing" is to begin. Jobs are to be reduced by an estimated 5,000 full time roles by March 2023 and 10,000 by end of August 2023 to achieve short-term cost efficiencies, International Distributions Services plc said.

Based on current estimates, around 5,000 to 6,000 redundancies may be required by end of August 2023, it added.

More jobs may need to go, the company warned, if 16 days of strikes take place in November and December. It expects such action would "materially" increase the company's loss for the year.

A voluntary redundancy scheme is to be offered in an effort to avoid compulsory redundancies but the company has said its traditional redundancy package of up to two years' pay is no longer on offer: "The financial position of the business means that our legacy voluntary redundancy policy, which offered up to two years' pay, is now unaffordable."

The parent company reported a loss of £219m for the first half of this financial year, compared to a profit of £235m during the last financial year.

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Around £70m of that loss was attributed to “direct negative impacts” from three days of industrial action.

Members of the Communication Workers Union (CWU), who

represents Royal Mail workers, had been engaged in strike action over pay and conditions.

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Around [115,000 Royal Mail staff walked out over pay and conditions](#) in what the CWU said is the biggest national strike of any sector this year. Up to twenty-one days are to be affected by the strikes.

Commenting on the announcement CWU general secretary Dave Ward said: “The announcement is the result of gross mismanagement and a failed business agenda of ending daily deliveries, a wholesale levelling-down of the terms, pay and conditions of postal workers, and turning Royal Mail into a gig economy style parcel courier.

“What the company should be doing is abandoning its asset-stripping strategy and building the future based on utilising the competitive edge it already has in its deliveries to 32 million addresses across the country.

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“The CWU is calling for an urgent meeting with the board and will put forward an alternative business plan at that meeting.

“This announcement is holding postal workers to ransom for taking legal industrial action against a business approach that is not in the interests of workers, customers or the future of Royal Mail. This is no way to build a company.”

International Distributions Services also owns GLS, a profitable international, Amsterdam based logistics company.

The parent company warned that it may separate the companies to prevent GLS subsidising the losses of Royal Mail.

GLS is on track to profit between €370 and €410m this financial year.

“In the event that significant change within Royal Mail is not achieved, all options remain open to protect the value and prospects of the group, including separation of the two companies,” the trading update said.

Royal Mail is expected to have a loss of around £350m, excluding voluntary redundancy costs. The sum may increase to around a £450 million loss if customers move business away for longer periods following the initial disruption.