

No. 599/2020

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Dear Colleagues

## **POST OFFICE: NEW LONG TERM COMMERCIAL AGREEMENT WITH ROYAL MAIL**

Branches are advised that Post Office and Royal Mail have today announced a commercial agreement known as the "second Mails Distribution Agreement", commencing on 29 March 2021 and operating for 11 years until 28 March 2032. A press release between the two parties has been published today and is attached.

We welcome the principle of this new agreement as it hopefully brings some stability for our Postmasters and directly employed members. We do though have some genuine reservations as it seems the Post Office / Royal Mail relationship is no longer "exclusive". This is confirmed in Post Office CEO Nick Read's statement via a "One Update" to employees (also attached):

*"The new agreement also provides exciting opportunities to open our network to other potential providers and online retailers, ultimately paving the way to increased volumes and remuneration."*

Currently we only have the joint press release and internal Post Office communication to consider and will therefore be asking for more details in relation to the agreement. Patently we need to understand the full implications of these "exciting opportunities" and what they could mean for our members (particularly in terms of remuneration for Postmasters for the handling of additional parcels etc.) We intend to engage with the Post Office at the earliest opportunity to get full disclosure of the details of the agreement so we can determine the wider implications.

We should all remember this new commercial agreement is only necessary due to the political sabotage which took place in April 2012 when Post Office was separated from the privatised Royal Mail. Clearly both organisations should be one entity, as is the case with postal services around the world.

Yours sincerely

**Terry Pullinger**  
**Deputy General Secretary (P)**

**Andy Furey**  
**Assistant Secretary**