

Strengthening the influence of postmasters in POL:

Executive Summary Statement – August 2024

What we did:

- POL Corporate Affairs Director (Charlotte Cool) organised two workshops in July and August 2024 to discuss how we can strengthen the voice of postmasters in POL.
- Across the two workshops we hosted attendees from the NFSP, The Voice of the Postmaster, the two Postmaster NEDs, the Postmaster Experience Director (who's also a postmaster), the UKGI Non-Executive Director, as well as various POL Executives. The CWU was invited but didn't attend. Strategic Partners were not in scope for these initial events, and we will liaise with them separately.
- Whilst this was not a decision-making forum, participants were aware that the key outcomes would be integrated into the Strategic Review considerations and shared with other key stakeholders.
- Across the two workshops we heard from three external guest speakers:
 - Peter Hunt, CEO & Founder of Mutuo: Peter worked on options to create a mutual Post Office for the Coalition Government in 2010 – 2012.
 - Sarah McCarthy-Fry, Non-Executive Director of The Co-op Group and former Treasury Minister, spoke about 'How Member Voice and Governance works in Co-op Group'.
 - Pip Wilkins, CEO British Franchise Association, provided insights into the commercials and governance models of franchise organisations.
 - Separately, Charlotte Cool and Calum Greenhow (CEO, NFSP) also attended a John Lewis Partnership Council meeting as a field exercise to see how integrated decision making and oversight builds trust and partnership.

Areas highlighted by attendees as priorities:

1. **Remuneration:** All attendees agreed that increasing remuneration is the most important area where the postmaster voice needs to be 'heard'. Suggestions included: Increasing remuneration; Increasing remuneration as a % of POL income; and developing profit-shares. Postmasters also wanted to input into longer-term strategic and commercial planning and the resulting remuneration plans, to help them with their business planning. All attendees agreed that reducing POL's central costs was a key enabler to increase remuneration.
2. **Partnership:** Despite some notable improvements, it was the view of many attendees that the relationship between POL and postmasters continues to be dysfunctional in parts, characterised by a lack of trust, and a parent-child dynamic. It was contrasted with the positive 'partnership' relationships that we heard about from our speakers across franchises, co-ops and mutuals. There was debate amongst attendees around the best way to rectify this. Suggestions included a Postmaster Oversight Committee, an elected Advisory Council, and function-specific committees that would enable integrated working between POL and postmasters, but exclude 'corporate' areas such as finance and HR.
3. **Culture & Transparency:** Attendees acknowledged POL's efforts to improve postmaster engagement, but it was agreed that the culture needs to evolve for trust and partnership to thrive. Greater transparency from POL was cited by many attendees as key, ensuring that POL is sharing as much as we can with postmasters. This increased transparency would help postmasters to hold the Board and POL executives to account.

4. **Supporting postmasters:** Many attendees felt that POL should be doing more to support and train postmasters. This is both, a) How to run their post offices, and b) Providing business coaching around how to grow commercial opportunities in their retail shops.

Long-term vision:

- There was discussion around where Post Office should land in the long-term.
- Attendees were interested in various business models ranging from Mutualisation to franchising. But it was felt that until Post Office is on a stable financial footing (i.e. post-Inquiry and NBIT), these discussions should be paused, and the focus should be on delivering the four Key Priorities above.

What are the next steps?

- We will reconvene this group in six months (February 2025) to consider what progress has been made on the key priorities outlined above.
- It is expected that the Chairman’s Strategic Review will address some of these issues (e.g. remuneration), whilst other areas might be out of scope. We will work to refine and develop areas that are not addressed by the Strategic Review.
- The attendees have agreed to sign this Executive Summary Statement to indicate their support for the four key Priorities.

NFSP Calum Greenhow, CEO, NFSP	Voice of the Postmaster Richard Trinder, CEO, Voice of the Postmaster	Postmaster NED Saf Ismail, NED & postmaster	Postmaster NED Elliot Jacobs, NED & postmaster	PM Experience Director Mark Eldridge, POL Exec & PM
POL Executive Charlotte Cool, Group Corporate Affairs, Communications & Brand Director	POL Executive Rachei Scarrabelotti, Group Company Secretary	POL Executive Tim McInnes, Transformation and Strategy Director	POL Executive Jules Hayman, Head of PM Comms	Non-Executive Director Lorna Gratton, POL Non-Executive Director, UKGI