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A TIMING AND LINE TO TAKE

In the 6 April announcement of the review, and subsequently, Parliament has been told that the Government hopes to announce its proposals in the Autumn.

The Prime Minister has requested that the review report be submitted and circulated to Ministerial colleagues for consideration after the Labour Party Conference. The issue has been flagged up for potential Cabinet committee discussion in October.

Timing for decision taking is therefore very tight. A decision in the Autumn will not only fulfil parliamentary expectations but allow a bid in November for primary legislation in 1999/2000. It might also allow us to take advantage of legislation under the ECA 72 which is required to implement a Postal Services Directive early next year. This for instance could enable us to provide swiftly for independent regulation of the Post Office, without the discipline of which it would be difficult to justify commercial freedoms.

Line to Take

Over the Recess Ministers may be lobbied or pressed for their views on what the future structure of the Post Office should be. In particular, if decisions on Horizon, which has important implications for the future of the Post Office network, become public this may focus attention on the review.

Media coverage to date has been sporadic with contrasting views variously (and not wholly consistently) attributed to Ministerial key players. To avoid unnecessary and potentially damaging speculation over the summer a clear and agreed Government line is therefore advisable.

Current **main lines to take** together with more detailed **Q & A material** is at Annex 1. However, you may also be pressed on whether you have

received the review and considered its content. I suggest the response here should be:

‘The interdepartmental review team is continuing to work to its terms of reference to provide Ministers with a comprehensive report. I and my colleagues look forward to receiving and considering it with a view to putting proposals to Parliament in the autumn.’

If pressed:

‘Cannot reach conclusions before seeing the report. This is not a matter of dogma. We need to consider all the options carefully so as to establish the best possible future for an innovative, competitive and successful Post Office in the public sector, to the benefit of its customers and the UK.’

If accused of delay

‘No delay. The interdepartmental review team continues to work hard towards its report. It is working closely with Post Office senior management and has consulted the unions, POUNC and is taking into account the views of other interested parties.’