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Department for
Business, Energy
& Industrial Strategy

Proposal for a Working Group Between Post Office Limited, BEIS and Other Stakeholders.

Purpose

Since becoming independent of Royal Mail, Post Office Limited has maintained a national network of over 11,500 branches, moved and upgraded over 7,500 branches, increased opening hours by over 200,000 a week and become the largest network trading on a Sunday. While Post Office Limited improved its trading profit from a loss of £120 million in 2012 to an expected profit of £50 million in 2017/18, postmaster remuneration has been declining and we continue to hear anecdotal evidence of postmasters' struggling up and down the country. To ensure that the business continue building on this success, and to ensure running a Post Office remains an attractive proposition to postmasters, we recommend setting up a quarterly working group with Post Office Limited, the National Federation of Sub-Postmasters (NFSP) and other stakeholders.

Because operational matters – including remuneration and the contractual relationship between Post Office Limited and postmasters – are sole responsibility of the business, we suggest the working group focuses on designing a more ambitious, long-term strategy to raise the profile of the Post Office Limited across Whitehall as a way to deliver public facing government services. This idea has been tested with both the NFSP and Post Office Limited and was well received by both. However, in view of the strong language used by Honourable Mr Justice Fraser to criticise the relationship between the Post Office and the NFSP, including questioning the independence of the NFSP, we recommend broadening the list of attendees to include a wider range of stakeholders with an interest in Post Office matters. These could include the Plunkett Foundation, the Federation for Small Business, Rural England and the Association for Convenience Stores. Other Government departments – such as DWP, the Home Office, HMT, DEFRA, DCMS, MHCLG, HMRC, DfT, GDS and Cabinet Office – could also be brought into the conversation to discuss specific opportunities.

This approach would allow Government to take a more active role in determining what Post Office Limited's purpose ought to be and to explore what new services could Post Office Limited provide to advance public policy objectives. These could include – for example – strengthening Post Offices role as 'community hubs', tackling loneliness and isolation, providing pre-paid e-money cards, take deposits and lend to the vulnerable, authenticate identity, provide pharmacy collection points and other close-to-home services.

Handling

Should you agree with this proposal, you could reference the creation of this group at BEIS Oral Questions on 19 March.

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Frequency

- Quarterly

First Meeting

- The group will convene for the first time at the beginning of May

Proposed Agenda – Will change from one meeting to the next.

- The agenda for the first meeting will cover:
 - Terms of reference, outputs and defining success
 - An update on the network
 - Challenges and opportunities – different perspectives from NFSP, Post Office Limited and Government.
 - Topics for discussion at future meetings

Proposed Attendance – To be broadened to include other stakeholders.

- Kelly Tolhurst – Parliamentary Under Secretary of State at Department for Business, Energy and Industrial Strategy
- BEIS Policy Officials – Post Office Policy Team x2
- UKGI Official – Shareholder Representative x1
- Patrick Bourke – Post Office Limited Corporate Affairs Director
- Nick Beal – Post Office Limited Head of Agent's Development and Remuneration
- Amanda Jones – Post Office Limited Retail Sales Director
- Calum Greenhow – NFSP Chief Executive Officer
- Tory Gardner – NFSP Director of Commercial and Retail