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COMMUNICATION WORKERS UNION

PRIVATE AND CONFIDENTIAL

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General Secretary
Derek Hodgson

24 January 2000

Dear Alan

Thank you for your reply to the letter which was sent to you on 19 January, on behalf of Terry Deegan, Colin Baker and myself.

I thought it would be useful if I was able to clarify some of the points we were attempting to make to you regarding the whole question of the Post Office network, and specifically the effectiveness of the Horizon Working Group.

I would certainly agree with you that it has been useful for the HWG to be kept aware of the issues relating to the roll-out of Horizon by POCL (as well as the problems which still require resolution). I also understand that it is crucial to ensure that this process goes ahead in order to provide the IT platform to attract new work.

However, while this is the case, I would maintain that not all of the tasks which formulate the terms of reference of the Group are being dealt with sufficiently. As you know it is part of the Group's remit is to oversee, contribute actively to, and facilitate solutions where problems arise during the development of the roll-out. If we had not written to you last week then we would not have been made aware that your Department has been closely in touch with POCL and ICL recently, and that given that most technical problems have been resolved, that roll-out will be re-commencing as scheduled. Similarly you refer to continuing discussions between DSS/BA and DTI which the Group has not recently been informed of. Although I will certainly be interested to hear what agreements have been reached as a result of these meetings, and regarding what concerns that the NFSP expressed.

We were also concerned that the Group has been unable to propose the sort of practical solutions which will be necessary in order to maximise the commercial potential of the Horizon platform. As we said in our letter to you, the submission to the Performance and Innovation Unit, which was agreed by the HWG, was useful in identifying the problems caused by the decision to migrate to ACT, but was unable to provide measures which would realistically ensure the future viability of the network.

While I understand that the PIU will also be looking at ways for the Post Office network to maximise its commercial potential as part of its study, this does not alter the fact that this task also forms part of the terms of reference of the HWG. We should therefore be looking to carry forward this work with greater urgency, and not simply wait for the PIU to so on our behalf.

That is not to say that I do not appreciate the importance of what is being done by the PIU on behalf of the Prime Minister. The point that we were trying to make was that, while there is clearly some overlap and areas of shared interest, it is clear that the remit of the HWG is a different one to that of the PIU. At this stage we are also unaware whether we will even see the final report, given the nature of the final document and the structure of the PIU reporting direct to the Prime Minister.

With reference to the access criteria and the Postal Services Bill, we accepted that the specific criteria itself would not be included in the Bill, and were not suggesting that it should be. However we were surprised to learn that no reference would be made beyond that of the social and environmental guidance. This led to concerns which were re-enforced by the fact that there appeared to be a delay in publishing the criteria, making it difficult for the new Regulator and Postal Services Users' Council to prepare to monitor the network.

You say that it is "disingenuous" to quote what the Secretary of State said to the Select Committee regarding this matter before the PIU study began. However he did not qualify this undertaking at the time, and we felt that it was necessary to share our concerns over the way that one of the Government's much vaunted policies on the Post Office network (which we whole-heartedly support) was being handled. I should also mention that we were making this point as part of our wider comments on the future of the Post Office network and not as part of the operation of the HWG.

You go on to say that you have some sympathy over our concerns regarding the effectiveness of the Group. I think you would agree that this is not because the Group does not have a role to play. In fact arguably there is greater need for the HWG to make a positive contribution as the roll-out continues apace, and as we move closer to the ACT migration period of 2003 – 2005. I certainly believe that the Group can help to optimise the contribution of the Horizon platform to the viability of the network. What I have tried to make clear in this and previous letters is that in my opinion (and that of my colleagues), it is not doing so as effectively as it could.

Finally it is unfortunate that you characterise my letters to you as "carping". I must say that the opposite is true, and that I have been at pains to demonstrate that these are genuine concerns on behalf of postal workers and the postal industry regarding the service which we wish to continue to provide to the public. I look forward to meeting with you shortly to discuss the issues which we have raised.

This letter has been copied to Terry Deegan, Colin Baker, John Roberts and Stuart Sweetman.

Yours sincerely

GRO

DEREK HODGSON
General Secretary, CWU