| From:                                       | Minister THOMAS                 | GRO   |  |                 |          |
|---|---------------------------------|---|--|-----------------|----------|
| Sent:                                       | Tue 03/09/2024 3:35:35 PM (UTC) |   |  |                 |          |
| То:   | Elena MICHAEL GRO               | GRO  Lilley-Pould Asha BA GRO GRO   | j; Brooks-White<br>den GRO<br>LACHANDRAN GRO | COSSOM          |          |
|   |                                 | GRO _   |  |                 |          |
| Cc:   | DBT Ministerial Subn            | nissions<br>GRO   | GRO  |                 | David    |
| Subject:                                    | READOUT - National              | Federation of Subpostm  | asters - 03/09/2024                          |                 |          |
| Hi Amy/Asha,<br>Thanks again for y          | our help in today's             | s meeting – PSB a qu  | ick readout and a                            | ccompanying a   | actions. |
| Best, Jamie Department for Business & Trace |                                 | Jamie Cunningham   Pr<br>Department for Busines<br>Old Admiralty Building   I<br>Phonel GRO   E | ss and Trade   Priva                         | te Office Group |          |

## **Attendees**

- Minister Thomas
- Calum Greenhow, CEO NFSP (CG)
- · Ruth Buckley -Salmon, Public Affairs NFSP
- Amy Lilley, Head of Post Office Policy & Strategy, DBT
- · Asha Balachandran, Senior Post Office Policy Advisor, DBT

#### ----STARTS----

 CG opened the meeting by noting his concern around the future of POL, and the need for clear communication with the Postmaster network. CG emphasised that HMG, POL and Postmasters should be working together to improve the Post Office network and was interested to see what HMG is going to do to better the POL/Postmaster relationship.

## **Future of POL**

- MT highlighted that the future of the Post Office was one of his top priorities when talking to DBT officials but asked what would CGs ideal scenario be.
- CG noted his preference for the creation of an oversight committee (something he had discussed with Lord Sikka) with mutualisation as an end goal but recognised that the business needed to first become viable with a stable market. CG emphasised the damage the Horizon scandal had done to relationships, as HMGs arm's length approach to POL allowed

information to be withheld, believing that more oversight would have reduced harm. Any oversight committee would aim to hold POL board to account and would also bring in different groups to feed into the thinking of Post Office. CG was keen to note that this would not undermine the role of the Minister and noted he sent over a proposal. ACTION GRO Asha BALACHANDRAN GRO please could you follow up with Ruth on this.

- CG also noted that POL could do more in banking with enhanced post offices.
- CG also encouraged MT to push the Post office to better relationships with delivery companies to allow more services to be sold in branches, especially in rural branches to help diminishing Postmaster income. ACTION GRO Shane BROWNIE GRO please could you pull out figures Calum mentioned about income of postmasters (percentage of their income comes from where). CG mentioned it was a Parliamentary report/library.
- CG was concerned around the Horizon IT system, believing it was beyond its shelf life, and welcomed the current strategic review which will aim to restore confidence to Postmasters.
   There was also a discussed around the lack of a public review of the system and Fujitsu's management of it

# Hard to reach post offices

• CG noted that under Post Office's Network Transformation programme, postmasters who did not want to modernise their branch could exit the network with a 'leaver's payment'. CG was keen to hear the Ministers view on the Post Offices compromise compensation position.

ACTION - CRO Lilley-Poulden GRO please could you send up a note outlining this issue by COP Friday.

## Post office strategy

• CG emphasised that needs of the postmaster should come into the ongoing strategic review, and noted his concern around a proposed shift to a POL franchise model given risks/implications to Postmasters as it would move them away from being an agent. POL would need to spell out what options there are and then discuss with business partners.

# HSS £75k top up letters

 CG noted that postmasters have been telling the NFSP that redress should be allocated by Post Office rather than by per person, any asked whether there was any way through.
 ACTION GRO Stephanie COSSOM GRO please can I check your thoughts on this?

