

**RESTRICTED - POLICY AND COMMERCIAL**

rwv/1/05.

To:

SECRETARY OF STATE

ci: Mr McCartney

Sir Michael Scholar

Mr Macdonald

Mr Baker

Mrs Britton

Mr Hosker

Dr Hopkins

Mr Osborne

Mr Seabrook

Mr Whitehead

Ms Anderson

Mr Corry

Ms Moore

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From:

DAVID SIBBICK

DIRECTOR POSTS

GRO

151 Buckingham Palace Road

**GRO**

7 June 1999

**MEETING WITH COLIN BAKER, GENERAL SECRETARY OF THE  
NATIONAL FEDERATION OF SUBPOSTMASTERS TUESDAY 8 JUNE  
1999 AT 3.00PM**

**Issue**

1. You are meeting with Colin Baker, General Secretary of the National Federation of Subpostmasters (NFSP) and John Peberdy ( Chairman, NFSP Executive Council) at 3.00 p.m. tomorrow, Tuesday 8 June. Isabel Anderson and I will attend the meeting.

**Recommendation**

2. A steering brief for the meeting is attached at Annex A.

**Background**

3. We will be able to brief you immediately prior to the meeting on the mood of the NFSP at the Horizon Working Group meeting chaired by Mr McCartney which is taking place tomorrow morning. A key theme to the meeting is certain to be the NFSP's disappointment at the loss of the benefit payment card element of the project the meeting will require careful handling.

4. Whilst retention of the automation element of the project will be seen as helpful, the NFSP will express strong concerns about the impact of the significant drop in income expected by subpostmasters from 2003 when paper based benefit payments are progressively replaced by ACT transactions - given that the income the Post Office can expect to earn from carrying out banking transactions on an agency basis for the

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high street banks is likely to be only a fraction of that currently received from the Benefits Agency.

5. The NFSP are likely to repeat their concerns that fears about the future viability of post offices will lead to further loss of confidence amongst subpostmasters and post office closures, especially in rural areas. They will have been told by Mr McCartney that Ministers look to the members of the Horizon Working Group to work together to maximise the very great commercial potential of the Horizon platform, but that the Government will also be discussing the longer term viability of the network with the Post Office in the context of the Strategic Plan.

6. You will wish to reassure the NFSP of your personal interest in the successful completion of the Horizon project and your commitment to ensuring the subpostmasters' interests are taken into account in any deliberations by the Government of the future of the network.

**DAVID SIBBICK**