

## COMMUNICATION WORKERS' UNION

**CIRCULATED TO THE  
POSTAL EXECUTIVE ON  
18<sup>th</sup> June 2015**

**84/2015 (PE) 'B'**

**For consideration at the  
Postal Executive Meeting  
On 7<sup>th</sup> July 2015**

### **NATIONAL FEDERATION OF SUBPOSTMASTERS, POST OFFICE LIMITED AND CWU**

#### **Introduction**

It is prudent for us to consider the challenges, opportunities and options for the CWU given the likelihood that the NFSP special conference next month decides not to enter into a Memorandum of Understanding (MOU) with the Post Office in preference to a transfer of engagements to us or the National Federation of Retail Newsagents.

Under the direction of the General Secretary and with the assistance of the Secretary of the CWU Postmasters branch, this paper surveys the landscape and reports on a number of actions taken to protect our interests.

The occupational issues, and the day-to-day relationship with the employer are clearly issues for the PEC. However, the strategic issues affecting government policy, the nature of our relationship with the NFSP, and our response to any decision by the Federation to abandon its independence could all be appropriate to both NEC and PEC.

#### **Immediate occupational issues**

##### **Horizon**

As reported in LtB 269/15, issued on 21 April, concern about the approach adopted by POL to the alleged problems caused to Postmasters by the Horizon operating system has now been raised directly with the Prime Minister.

There has been a pause in political activity on this during the General Election period, but POL's lack of engagement with the mediation process, the attempt to suppress a report by Second Sight – the company engaged to investigate alleged shortcomings of Horizon – and continuing concerns of both CWU and NFSP postmasters mean that this issue will not subside.

The "Justice for Sub-postmasters Alliance" organisation has been set up by mostly ex-postmasters who believe that they have been unfairly treated. However, the key individual in JFSA, Alan Bates, is not currently in contact with the CWU postmasters' branch.

POL's position has essentially been based on the principle that the Horizon system cannot go wrong. However, this is not what we, NFSP and JFSA are saying. Our position is that however robust a computer system there can be and have been problems.

Due to the collapse of the mediation scheme at least two of our members will almost certainly now have normal PO disciplinary action taken against them ( because they are still serving), which will quickly culminate in POL terminating the contract of one member and forcibly making the other pay back his losses by deduction to pay.

### **Network Transformation**

The same arguments that we have articulated about the NT programme remain valid as we approach what looks intended to be a period of compulsory change.

However, those who do not wish to participate in NT now seem to comprise of more relatively new entrants to the business that are in a period of maximum financial exposure (because costs are front-loaded). For these individuals, the maximum 26 months compensation will not necessarily be a fair reflection on their business or enough to compensate them for their outlay, or a sufficient sum to make them change their minds.

For the government to press ahead would amount to "Termination on the Grounds of Convenience". This requires a higher level of notice than other sorts of termination of contract situations, but what constitutes a "reasonable" approach is something that would need to be tested legally.

A complicating factor is that postmaster contracts typically have no end date.

A legal opinion on the ramifications of compulsory termination of contracts would be of value.

Given that MPs were originally told that NT would proceed on a voluntary basis, an early question for the new Minister would be " Is the Government supportive of compulsory change", and if (as seems likely ) they say they are not, "What is the government going to do to stop compulsory change?"

It would seem appropriate to commission – either on our own or jointly - research work to quantify and validate our concerns about NT, and especially the performance of Post Office "locals". Previous work by IPSOS-MORI and Consumer Focus (now subsumed into Citizens' Advice) is now quite old.

We would seem to have a number of allies who share our concern at that this process: the Rural Shops Alliance, Co-Operative Group, the Clearing Banks Associating, Royal Mail (or their retail customers) Postal workers (i.e.: the CWU members who interact with locals). A round table discussion to arrive at a shared policy may be productive.

There is no doubt that for the NT process to move into a compulsory phase would be a step change in the environment.

But if we say to government (as we have done) "You need to pause or even stop; NT is not working," what would be the alternative?

### **Relationship issues**

#### **With POL**

There was an exchange of correspondence with POL in October 2014. This followed receipt by us of legal advice on the nature of POL's relationship with the NFSP following the removal of the Federation from the list of accredited trade unions.

We would need to return to that correspondence in the event of the merger process being terminated. The exclusivity accorded to the NFSP does not appear to be consistent with particular legal obligations, especially as it necessarily means that CWU represented postmasters are excluded from arrangements which determine their contractual undertakings.

## With the NFSP as reconstituted under a MOU

We have received a copy of the much-discussed proposed Memorandum of Understanding (“MOU”) between POL and the NFSP. This is attached.

The most salient points of this document can be summarised as follows:

- “NFSP will reconstitute itself as a trade association or similar organisation” (para 2). The relationship with the PO will be contractual, which raises the question of EU tendering regulations.
- Under the MOU, The PO (not “POL”) will provide funding of “up to £1.5m” per annum from 2015/16”. However, “the actual amount required would be based upon the difference between the revenues derived from the NFSP’s current membership model and associated membership fees and the maximum payment of £1.5m pa.” (para 3) This means either that the NFSP will continue to collect subscriptions and the PO will top that figure up to £1.5m, or that the current level of total subscription income of around £1.1m will be used as a benchmark figure by POL in making their calculations. In discussions, CWU representatives have described adoption of the MOU as meaning an inevitable cessation of subscription income – and no-one for m the NFSP has disagreed.
- “Any funding shall be subject to the new organisation agreeing with the PO the base level benefits offered by the organisation” (Para 3). So the MOU only works if NFSP agree what services they will offer with the PO.
- “PO will provide additional funding of no less than £1m per annum as a budget for grants to the NFSP”. (para 4) Thus the annual gross value of the MOU is up to £2.5m per annum<sup>[1]</sup>.

<sup>(1)</sup> In correspondence with a postmaster, the Post Office have declined to confirm that they are a party to the MOU but they did admit to there being a “Grant Funding” agreement that they could be a party to. This has subsequently been confirmed by the NFSP.

The relevance of this is that a Grant Funding Agreement is a way around procurement regulations and POL’s own procurement policy, which explains and justifies the failure to use a tendering process.

Government policy including HM Treasury and HMRC frown upon public authorities using the Grant Mechanism when a Contract for Services would drive down a better price and there are rules to clarify whether a grant or contract should be used. If funding is by a grant, the criteria for how that grant should be used has to be fairly loose and not resemble the detail that would be found in a Contract.

However, the NFSP MOU has all the attributes of a Contract and states that the Post Office would be committed to fund the NFSP for the next 15 years.

This exposes the grant agreement to challenge as it not only is designed to avoid procurement regulations but seeks to be a mechanism to avoid tax and VAT, and is not in the “spirit” intended for the purposes of giving grants.

- Para 6 is the review mechanism. At para 6c it says that the “NFSP has not engaged in activities which are actively detrimental to the PO” – but does not define what these are. However, further on in para 6, “the PO acknowledges that the NFSP...must have freedom to undertake activities that protect and represent their members’ views. In undertaking these activities, the NFSP agrees that it will not introduce commercial risk to the PO”. This is a very wide potential prohibition. And while PO remains publically owned, the proposed TTIP treaty could be prayed-in-aid as the arbiter of “commercial risk” were the treaty ever to be ratified.

- Para 6 details a disputes management procedure which seems reasonably transparent and has a degree of independence. The real threat to the NFSP's freedom is the rest of the contract which ties it to specific objectives and restraints.
- Para 6's final sub-para says "Should the NFSP disclose PO information that is confidential or commercially sensitive (as defined in the confidentiality agreement) or encouragement [sic] of sub postmasters to take action which conflicts with their contractual obligations, except where all other avenues of disputes resolution have been exhausted, this will be deemed a material breach of this agreement.
- The list of things that the grant payment can be used for is at Para 9. It validates our view that a constructively –minded POL would want to invest in these things anyway. It also turns the NFSP into a delivery arm of the business for training and support – which complements the view that this contract is possibly in breach of tendering regulations.
- Para 11 makes it clear that the document and discussions are strictly confidential. Where the NFSP to have shared this with us, that could lead to tension in their relationship with POL.
- Para 12 stats that the MOU is dead if NFSP merges with "another" trade union (of course, this was drafted when the NFSP was also still a union) or "any other organisation".
- There is no indication of what the notice period would be if either side decide to terminate the agreement.

There can be no doubt that the MOU represents the abandonment by the Federation of any meaningful independence. Our relationship with them and the employer would necessarily change as a consequence, as the CWU would be the only organisation of standing able to offer postmasters effective representation.

Moreover, the MOU that the NFSP seems poised to sign will be non binding in law (as that is the requirement of a grant funding agreement) and their grant will be given at the pleasure of POL - and removed at their pleasure with no reason having to be given. If the NFSP go down this route they will have given up all their subscription income in favour of the grant, so if the Post Office should reduce or withdraw the grant then the NFSP will be without any income and will be bankrupt.

As the attached NFSP circular shows, members are apparently being misled to believe that the MOU will end up as a legally binding contract, with income assured for the next 15 years.

### **CWU response**

Hitherto, we have declined to comment explicitly on the MOU, not least whilst the possibility of a transfer of the Federation's engagements to ourselves was a realistic possibility.

However, given that adopting of the MOU will have a dramatic impact on all postmasters, irrespective of whether they are NFSP or CWU members, we have issued an open letter expressing our concerns. This is designed to reassure CWU postmasters that at a national level we have a good understanding of their concerns. It is also intended to make the NFSP postmaster membership aware of our position, and is a precursor to further communications which will invite those NFSP member who share our analysis to join with us.

## Strategic Issues

### **Government policy**

Government policy on this area of the postal sector is unclear.

The Conservative manifesto simply pledged to secure the future of 3,000 rural post offices. There are no further references to Post Office Limited or future funding beyond 2018. However, the manifesto did include a guarantee to a "right to mutualise" in the public sector. This may re-activate the plans for Post Office mutualisation that have appeared dormant in recent years.

There are two key individuals with whom we need to establish a relationship. Anna Soubry MP is the Minister of State at BIS with responsibility for Small Business, Industry and Enterprise (formerly known as the Minister for Business and Enterprise).

The minister is responsible for:

- business sectors (excluding construction, rail, and retail) and advanced manufacturing, including low carbon economy
- enterprise
- competitiveness and economic growth, including economic opportunities and shocks
- Business Bank and access to finance
- Green Investment Bank
- deregulation and better regulation
- local and regional growth
- export control
- Royal Mail and the public data group
- Insolvency
- Oversight of the Shareholder Executive Portfolio (inc POL)

During the 2010 dispute, Ms Soubry became embroiled in a row with the CWU when she misrepresented the letters of concern she had received in her constituency (<http://www.nottinghampost.com/Tell-sway-MP/story-12221625-detail/story.html>)

However, contacts at BIS have advised that the minister with responsibility for post office issues will be Baroness Neville-Rolfe (<http://www.parliament.uk/biographies/lords/baroness-neville-rolfe/4284> - though this isn't on the BIS website yet - an email the Post Office sent to staff also states this). Anna Soubry will be responsible for the ownership of Royal Mail, which has been separated out from postal (and post office) issues in BIS since the run-up to privatisation. It is not yet clear which Minister will answer questions on post office issues in the commons, but Neville-Rolfe is the one with ultimate responsibility. We are seeking an urgent meeting with her given our concerns about the future of POL and the post office network.

Another key individual, who has not yet been appointed, is the chair of the All-party Parliamentary Group on Post Offices, assuming it is reconstituted. In the last Parliament, this position was held by Labour MP Russell Brown, who was defeated in the General Election. (<http://www.publications.parliament.uk/pa/cm/cmllparty/register/post-offices.htm> )

Moreover, the secretariat to the group in the last Parliament was provided by the NFSP. The person that provided this work has left so it is unclear if the NFSP has the resource to replace him. Given the likelihood of their contractual relationship with the Post Office, it raises the question of how appropriate such a relationship would be anyway.

### **The alternative to NT**

Network Transformation has been positioned by POL as the only strategy for protecting the long term viability of the UK post office network. The NFSP have embraced this approach and been handsomely rewarded for it.

Yet there is significant evidence that the market is not as moribund as assumed. New entrants in the sector show that there is a market for subpost office type services, but it is still unclear (and worthy of investigation) where customers are coming from, and how price aware they are.

One obvious area for consideration (or reconsideration) is Postbank. This is because there have been a steady migration of potential (and probably actual) customers from clearing banks who have closed many branches, to post offices. The latter are acting as clearing agents rather than full-blown alternatives, but this does not have to be the case.

Given that all the main clearing banks have contacts with POL, it would be a relatively small step to expand current activity to include the sale of many financial products, and acting as a "shop window" for the banks. (An investment programme would almost certainly be needed as part of this scenario – a standard design to enable banking and postal services to be offered from the same premises).

POL standards are in any event problematic. Industry-level returns are not being paid to postmasters, and little discretion is possible on selling techniques.

Moreover, given that other mail service providers also use locals as a drop-off and collection point, there is little brand protection for RM. There would seem to be a clear community of interests here in that if the products and service offered are sufficiently attractive, RM will be willing to drop the competition and increase the penetration of their own offerings.

The CWU did quite a lot of work in 2011-12 criticising NT and pushing for a Post Bank through the coalition (which included the FSB and Countryside Alliance). Consumer Futures and the BIS Select Committee also looked at and highlighted issues with Locals and the Fabian Society produced a report commissioned by the NFSP on the need to grow revenues.

The limited traction that these proposals generated is relevant for the union in thinking about some of the recommendations and whether things need to be done differently, and what it is we could (realistically) aim to achieve.

### **The terminal decline of POL?**

It is widely agreed that POL is a business in almost existential crisis. It has been divorced from Royal Mail, which provides the vast majority of its business, with no guarantee of retaining the RM contract beyond the initial phase. Yet POL cannot be regarded, and is not sustainable, as simply a retail operation. It would have been an ideal network for the once and briefly mooted Bank of Big Society, but government contracts to give that concept meaning have been awarded to competitors.

Yet there is no other organisation that can replace POL's responsibility as the ultimate provider of the "last shop in the village" in 3000 locations.

Even if we were to successfully argue for the NT process to be paused or suspended, are POL's problems such that the business is in terminal decline? If we are pessimistic about being able to change the direction of travel, ought we instead to look at alternative means of securing the future of the Post Office Network?

Alternative arrangements include the mutualisation proposals from 2011 but this would still leave the network vulnerable because it does not address the interaction between post offices and their suppliers and customers. "Last shop" locations are particularly exposed.

Additional alternatives include a reorientation of post offices, and restructuring POL such that the post office network becomes Royal Mail's retail division, with post offices under the RM rather than POL umbrella. RM would manage the relationship with clearing banks as part of "post bank" operation. (Such a restructuring could also address the current problems of POL's relationship with RM described in the preceding section.)

If such restructuring was allied to specific devices to build speed and efficiency through the network (such as standard sizing and maximising pre-payment, and a comprehensive upgrade of the IT infrastructure), it would be an integrated plan to counter the self-fulfilling decline of NT.

The position of the "last shop" offices could be regulated in a more bespoke fashion – by designating such offices as having special status and supporting them, accordingly. Funds could be raised by the introduction of a specific levy on other products and services, and a powerful alliance of rural interests could be constructed in support of such an approach.

Inevitably our "air time" with Ministers will be limited. We will need to build alternative solutions as part of our representations in order to maximise the time for which we can hold the attention of those in positions of influence.

In any transition plan, clear assurances would be needed at any early stage – but if the goal is sufficiently attractive, these cannot be discounted as unreasonable. The future options for the Post Office network, and our role in shaping them will be the subject of a separate paper with recommendations for future activity.

### **Summary of Actions Taken**

Drawing together the strands of this paper, the following actions have been taken in support of the union's objectives:

- We are seeking a legal opinion on what constitutes a "reasonable" approach in a "Termination on the Grounds of Convenience" scenario.
- Through our own legal advisers, we are making contact, and seeking to share information, with solicitors employed by the JFSA on Horizon cases.
- We are exploring the possibility of commissioning – either on our own or jointly - research work to quantify and validate our concerns about NT, and especially the performance of Post Office "locals".
- Consider convening a roundtable discussion of key stakeholders to develop shared policy
- We are revisiting our recruitment strategy for subpostmasters and have responded promptly to the recommendation being made to the NFSP special conference.

- Commission research to scope possible and innovative futures for the Post Office network (which is not the same as the future of POL).
- We are seeking a legal view on the legitimacy of POL supporting a reconstituted NFSP by grant funding instead of via a contract.
- In the event of the NFSP adopting the MOU, we will make an application to provide the secretariat of the APPG on Post Offices, assuming it is reconstituted.
- We have followed up correspondence from October 2014 by seeking an early meeting with the POL Chief Exec.
- We have asked the Minister (Baroness Neville-Rolfe) for an early meeting. (A meeting with Anna Soubry on Royal Mail issues has already been arranged).

**RECOMMENDATION:** That the document be noted

Dave Ward  
**General Secretary**

Andy Furey  
**Assistant Secretary**



The Future of the  
Nation Fed Subpostm

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POST OFFICE LIMITED (POST OFFICE) AND THE NATIONAL FEDERATION OF SUBPOSTMASTERS (NFSP)  
MEMORANDUM OF UNDERSTANDING ON THE TERMS OF THE FUNDING ARRANGEMENTS OF NFSP

INTRODUCTION/CONTEXT

Post Office wishes to continue to ensure that there is effective engagement between its branch operators and the management structures within the organisation – it is a very large, complex organisation made up of more than 8,000 separate businesses.

A mechanism for this would be a strong and credible body that is the voice of the UK's post office operators which can reflect views that add value to the overall Post Office customer proposition through effective challenge, contribution to business/operational/product development and also provide a range of benefits to operators. Our joint belief is that this will be commercially beneficial to both Post Office and operators, by helping to drive the development of products and services which are more attractive and relevant to our customers and identifying opportunities to do things more efficiently and effectively.

The National Federation of SubPostmasters (NFSP) is currently an independent membership organisation supporting operators of Post Office branches across the UK and is considered to be in a unique position to provide benefits to these operators. For over 100 years, the NFSP and the Post Office have worked closely together to help maintain the important role post offices play in providing a wide range of services to the communities of the UK. NFSP recognises and supports the objectives and requirements of Network Transformation.

Over a period of time, NFSP intends to re-define its organisational design and constitution, moving away from Trade Union status to a new organisation similar to a trade association. It is anticipated that the aims of the new organisation will be to (i) create a function that reflects and supports the wider range of Post Office operators that will exist post Network Transformation, (ii) develop its role to take account of the changes & challenges in the industry and (iii) introduce skills into its organisation. These goals reflect its objective to help operators improve how they run their business and aims to increase operators' profitability potentially through sales growth and driving efficiency, building on its role as the voice of the UK's post office operators.

To support this new organisation, from 2015, Post Office will provide funding of £1.5 million per annum on the terms set out below. As part of this overall funding, any operator who contracts with Post Office by or after October 1<sup>st</sup> 2015 (either through taking on a new branch or converting an existing branch to a new model, or has previously signed a Main or Local contract and Community Branches which receive investment will, at no charge to the operator, automatically be able to gain access to the benefits to be provided by the new organisation and have the opportunity to participate in the (evolving) governance structures of the NFSP. From April 1<sup>st</sup> 2016, all operators will be able to gain access to the benefits to be provided at no charge.

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In addition, Post Office will provide specific grant funding of no less than £1m per year on the terms set out below for a range of activities that the new organisation will undertake to enhance the benefits they provide to Post Office operators.

It is the intention for this funding framework to exist for a term of 15 years subject to achievement of the objectives outlined within this document.

This document is a description of the framework in which such funding will be provided.

SUMMARY OF PROPOSED TERMS:

1. Term - 15 years.
2. **NFSP status** - NFSP will reconstitute itself as a trade association or similar organisation and the new organisation would be acknowledged by Post Office as the sole body for operators that Post Office would engage with under the terms of each operator's contract.
3. **Organisational support payment** - Post Office would provide funding for the day to day operation of the new organisation of up to £1.5m per annum from 2015/16. Funding is subject to review (see below) and to the terms of the Framework Agreement generally. The actual amount required would be based upon the difference between the revenues derived from the NFSP's current membership model and associated membership fees and the maximum payment of £1.5m per year. Any funding shall be subject to the new organisation agreeing with Post Office the base level benefits offered by the organisation which will be included in the Framework Agreement. In return, NFSP will use reasonable endeavours to maintain existing subscription types and subscription rates for all subpostmasters on traditional contracts.
4. **Grant funding** - Post Office will provide additional funding of no less than £1m per annum as a budget for grants to the NFSP. Post Office and the NFSP jointly commit to develop a plan to deliver additional activities for the benefit of operators. The agreed budget will be jointly administered and ring-fenced until suitable grants can be agreed. The process and criteria for agreeing suitable grants will be included in the Framework Agreement.
5. **Benefits to operators** - all operators who sign up, or have signed up, to a new Post Office model contract, either as an existing operator, new operator or as an existing subpostmaster converting to a new contract and Community branches which receive investment, would automatically be able to gain access to the benefits provided by the new organisation and have the opportunity to participate in the (evolving) governance structures free of charge.
6. **Review** - Post Office and NFSP will undertake regular joint evaluations in order to assess whether it can be reasonably demonstrated that:
  - a. all operating model types are appropriately represented by the new organisation
  - b. NFSP is on course to transition or has transitioned to its new organisation structure by no later than [date].

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- c. the NFSP has not engaged in activities which are actively detrimental to the Post Office.

Post Office and NFSP will establish a reasonable set of actions to be undertaken as a result of the evaluations.

In the event of Post Office and NFSP not being able to reach an agreed outcome to the evaluations or the agreed set of actions are not undertaken, either party has the option to commence a dispute resolution process, design to be determined within the framework agreement, including an appropriate escalation procedure and then, if necessary, the appointment of an external neutral expert appointed jointly by NFSP, Post Office [and BIS] to undertake a further evaluation.

In relation to Clause 6c above, Post Office acknowledges that the NFSP in its role as the representative of sub-postmasters must have the freedom to undertake activities that protect and represent their members' views. In undertaking these activities the NFSP agrees that it will not introduce commercial risk to the Post Office.

Where Post Office and the NFSP have a dispute in relation to the above, they will follow the dispute resolution process as agreed in the Framework Agreement. This will follow an escalation process between the two parties and if at the end of this process, a mutually acceptable resolution has not been identified, the parties will then use an independent mediator (sourced from CEDR) to close down this action.

Should the NFSP disclose Post Office information that is confidential or commercially sensitive (as defined within the confidentiality agreement) or encouragement of sub postmasters to take action which conflicts with their contractual obligations, except where all other avenues of resolution have been exhausted, this will be deemed a material breach of this Agreement. Material Breach will immediately trigger the dispute resolution process and should the situation not be remedied within an agreed timescale (x-days), then the Post Office will have the right to serve notice on this agreement.

7. **NFSP support for Network Transformation.** Post Office and the NFSP have worked closely on developing the revised approach to Network Transformation. The NFSP therefore undertakes to support the rollout of the programme on both the agreed financial arrangements for Network Transformation and plan for Network Transformation through to complete conversion of the non-community network by 2018. NFSP and Post Office will work closely together to ensure that the objectives and requirements of Network Transformation are effectively communicated and embraced by current subpostmasters and future operators.

8. **Organisational support payment - operational funding** - this will include the following core elements:

- Funding the day to day operation of the new organisation
- NFSP membership of PO User Council/engagement structures

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9. Grant funding - benefits provided by NESF – NFSP is required to provide clear and measurable benefits to operators in return for the funding. A list of possible benefits is set out below:

- \* NESF provide skills training in certain areas as the recognised experts in these areas - focussed on operational aspects.
- \* Provide input into operational/product/business development including business case development.
- \* Support for the sales drive of PO Business insurance
- \* Support for other Post Office sales programmes (to operators and customers) including on-line
- \* Payment for agreed NESF campaigns.
- \* Joint publication administered etc. by NESF.
- \* Business development seed fund linked to commercial achievement
- \* Business development resource secondment
- \* Support for service retention in service issue branches
- \* Support for Mystery shopping
- \* Support for Branch Standards
- \* Support for Commercial transfers
- \* Support to prospective/new operators
- \* Support for Recruitment activity
- \* Sales support to Local Authorities
- \* Development of Network Expansion
- \* Support/admin of Agents Engagement Survey
- \* Support for local Corporate Social Responsibility activity
- \* Support for Stakeholder Forum/Mutualisation journey
- \* Provision of retail stationery distribution
- \* Assist in identifying and resolving service delivery issues

10. The parties acknowledge that this Memorandum of Understanding sets out the principles that will form the basis of a Framework Agreement to be developed jointly by the parties (in consultation with BIS) with the intention that a legally binding Framework Agreement will be negotiated, published and in place by [date] 2014.

11. These proposals and the wider discussions on this subject between Post Office and the NESF are private and confidential and are not to be circulated or shared with anyone (other than the shareholder of Post Office) without the other party's express written consent.

12. This Memorandum of Understanding will cease to have any further effect if the NESF merges with a trade union or any other organisation or does not ratify and adopt it at the relevant Special Conference.

Post Office Limited

National Federation of Subpostmasters

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