

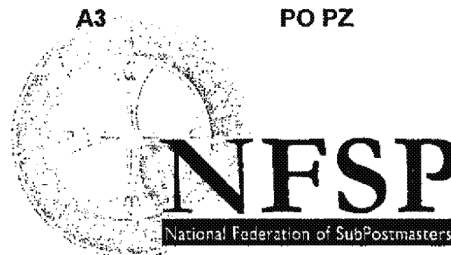
CIRCULATION: NATIONAL EXECUTIVE COUNCIL

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PO PZ

CB/CD PO PZ

9 September 1999

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General Secretary: COLIN BAKER

Assistant General Secretaries  
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Dear Executive Officer

**GOVERNMENT REVIEW**

I am sure you will be interested in the attached letters from Stephen Byers.

The first, dated the 2 September, is a letter which he has sent at our request for publication in the SubPostmaster journal. You will see that the Secretary of State is merely repeating previous comments and is sticking firmly to the view that the decisions on Horizon and the Benefits Agency will allow the Horizon platform to develop and enable those who wish to continue to cash their benefits at post offices. Heavy emphasis is placed on the value of the Horizon Working Group. Although this letter is merely stating what we already know it will be useful in demonstrating to the members through the SubPostmaster journal that we are in contact with the Secretary of State and that he is writing to them through the Federation.

The letter dated the 3 September is a personal one to me and I can advise you that I have now met with the new Minister, Alan Johnson, and the meeting was extremely valuable. Alan Johnson is clearly well aware of the issues surrounding the post office network and is conscious of the political difficulties which the Federation could generate if things did not work out for us. Alan and myself have agreed to have regular head to head meetings once every two months as well as meeting together formally in the Horizon Working Group. We also intend to take up the offer of a meeting with the Secretary of State in October and will be in touch with his office shortly to arrange such a meeting.

We will keep you advised of developments.

Yours sincerely

**GRO****COLIN BAKER**  
General Secretary

Enc:



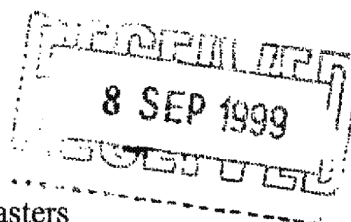
PO PZ

**FAXED**

PERSONAL

The Rt Hon Stephen Byers MP  
Secretary of State for Trade and Industry

Colin Baker Esq  
General Secretary  
National Federation of Subpostmasters  
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3 September 1999

*Dear Colin,*

Thank you for your letters of 26 and 30 July conveying the concerns of your members about the future of the post office network and covering the Federation's response to the Government's White Paper on Post Office Reform.

I attach a letter which you may wish to publish in your monthly journal on how the Government sees the future of the post office network.

I understand that you are due to meet with Alan Johnson, the new Minister with particular responsibility for Post Office issues on 8 September, and I hope this will prove a valuable discussion. After you have met Alan I would be happy to meet you in October to discuss issues of mutual interest.

I am pleased that the work of the Horizon Working Group is progressing well and am grateful for your contribution to its work. I am sure that you will be in touch with developments in Government thinking on the network as a result of your participation in the Group.

*Yours,*

**GRO**

STEPHEN BYERS

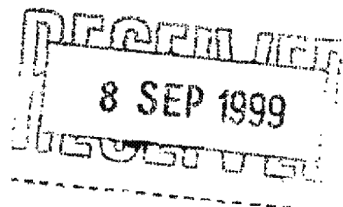
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FOR PUBLICATION

The Rt Hon Stephen Byers MP  
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2 September 1999

*Dear Colin,*

Thank you for your letter of 26 July about the future of the post office network and the Federation's response to the Government's White Paper on Post Office Reform.

I should first like to assure your members that the Government fully recognises the importance of the post office network to the communities it serves and we remain committed to the maintenance of a nationwide network of post offices. Sub post offices represent a valuable partnership between the public and private sectors.

The changes which I announced on 24 May to the Horizon project should put computerisation of the post office network back on track. The original Horizon project initiated in 1996 by the previous Government had suffered such delays and set-backs that it no longer represented, in our view, the best way forward. The restructured Horizon project will equip every post office throughout the network with a modern, on-line computer platform by 2001. Automation of the post office network is vital to the future of the network to enable the Post Office to conduct its business in a modern way and help it to retain existing and attract new clients.

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**dti**

Department of Trade and Industry

FOR PUBLICATION



We took our decision against a background of the clear trend in recent years for increasing numbers of benefit recipients to opt voluntarily to have their benefits paid into bank or building society accounts by automated credit transfer (ACT). Nevertheless, there will be no change to the existing paper-based methods of paying benefits until 2003 after which the Benefits Agency will move progressively over a two year period to the payment of all benefits into bank accounts through the existing ACT system. This timescale is designed to allow POCL to build on the Horizon platform to develop further its relationship with the banking industry, and so ensure that all those who wish to do so will continue to be able to collect their benefits in cash at post offices both before and after the changeover. Also, bank customers generally will benefit from a wider range of convenient access points, particularly in rural areas.

I remain convinced that the post office network has an important future role to play in implementing the Modernising Government agenda, using the new technology. The post office network is in a good position to continue to provide an interface between Government and communities. When automation is achieved, a wide range of new opportunities should be open to the network.

I am grateful to you for your contribution to the Working Group established to oversee progress with the revised Horizon contract and to explore further the commercial potential of the automated network. Your members as both business proprietors and providers of post office services are ideally placed to contribute ideas and suggestions on new products and ways of working which are vital to the future success of the network. It is vital that subpostmasters as key players in the post office network have a direct channel of communication with Government to help shape the future of the post office network. A key role of the Working Group is to provide this channel.

*Yours,***GRO****STEPHEN BYERS**