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POLB04(90)

POST OFFICE LTD BOARD: STATUS REPORT**Actions from Post Office Ltd Board Meeting – 13th October 2004**

	<u>ACTION</u>	<u>BY WHOM</u>	<u>BY WHEN</u>	<u>STATUS</u>
1	<u>RMG – POL relationship</u> : Investigate the reason for the £270m the charge between POL and RMG.	Peter Corbett	Dec Board	Completed.
2	<u>Planning</u> : Arrange a meeting for 17 th November 2004 for the Post Office Ltd Board to discuss enhancements to the Post Office network.	David Mills	17 th Nov	Completed.
3	<u>Foreign Exchange</u> : Circulate a suitable paper to outline the issues with foreign exchange products and competitors prior to the 17 th November meeting.	Gordon Steele	15 th Nov	Completed.
4	<u>Rural Network - Scotland</u> : Alistair Darling's PPS was looking at how the Scottish Office could fund the rural network in Scotland. Ian McKay and David Miller would follow up on this matter.	David Miller	Dec Board	Sue Huggins has discussed with Mary Fagan (who Ian McKay works for) how we need to proceed. Sue is putting in place the means to negotiate with the Devolved Administrations whilst retaining the necessary degree of central control.
5	<u>Credit Cards</u> : Provide a more detailed follow-up paper on Credit Card acceptance.	Graham Halliday Peter Corbett	Dec Board	Completed.
6	<u>Co-selling</u> : Conduct a 3 month trial to determine whether the 'co-selling' option could provide a viable way forward, liaising as necessary with Keith Woollard, Head of Compliance.	David Miller	Ongoing (Jan 05)	In place, will be reviewed in February.

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| 7 | <u>Co-selling</u> : Meet with Colin Baker to explain the 'co-selling' option in detail. | David Miller | Dec Board | Completed - Colin Baker has been briefed. |
| 8 | <u>Product Analysis</u> : Present an analysis for all other major products, which would include details on agent's pay and losses, and be presented at the next Board meeting. | Peter Corbett | Dec Board | Completed and on agenda for this Board meeting. |
| 9 | <u>Winter Travel Campaign</u> : As part of the Winter Travel Campaign, notices would be considered for Post Offices to inform customers that the E111 Form would shortly be replaced by a plastic card. | Gordon Steele | Dec Board | Ongoing. Further proposals in development lead by Hugh Stacey with the communications team. |
| 10 | <u>Crown Office Strategy</u> : Investigate the possibility of a low-cost refurbishment programme to maximise the number of offices that could be improved. | David Miller | Dec Board | The 04/05 Programme will run its course. A Meeting will be held in December to set the new specification for 05/06 and beyond. Operations/Sales and Marketing will be involved. One implication is that we do not move to "Open Plan" other than at resites. |
| 11 | <u>Reward Strategy</u> : Develop presentation slide to demonstrate the old model of selling government products, the new model of selling new products, and the new conceptual reward structure. | Ian Anderson | Dec Board | This slide will be included in January presentation. |
| 12 | <u>Reward Strategy</u> : Conducted research amongst our people to determine their preferred reward option. The final package would take these views into account, and conform with the principles of being basic, simple and individual. | Ian Anderson | Dec Board | Both formal and informal research conducted. |
| 13 | <u>Reward Strategy</u> : A paper outlining the principles would be produced for the November RMH Board, and this would be followed up by a more detailed paper once a solution had been finalised. | Ian Anderson | Dec Board | Paper produced but presentation to Holdings Board on 07/12/04 not going ahead. |

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14	<u>+1 Equals You:</u> A short presentation would be developed for the January 2005 Face to Face event to outline the key principles of +1 equals you.	Gordon Steele	Jan 05	+1 = You is currently in test in a selection of branches and inclusion in the January events is key but this will need careful but inspirational positioning. We are working with the events team to this effect.
15	<u>Colleague Offers:</u> Develop the Post Office Ltd website to allow colleagues to access the offers from home.	Gordon Steele	Dec Board	Initiated a feasibility study to deliver this capability and will integrate with Learning for All and other initiatives. We are planning delivery first quarter 2005
16	<u>IT Roadmap:</u> Refine the IT roadmap to more clearly define the objectives, the parameters of the programme, and the minimum acceptable outcome.	David Smith	Dec Board	The proposition will be refined in a business case seeking authority to proceed to contract that will be presented to the February Board meeting.
17	<u>IT Roadmap:</u> Review whether the legal fees related to the entire business case, or the scoping exercise.	David Smith	Dec Board	The legal fees represent the total requirement to take the business through to a new contract.
18	<u>Bureau Payments:</u> Discuss with the relevant parties to ensure Bureau payments could be made with both debit and credit cards, and Post Office Ltd would look at the surcharges made by other operators when using these cards for bureau purchases.	Gordon Steele	Dec Board	Submitted as agenda item.
19	<u>LINK Membership:</u> Lobby HM Treasury to help establish LINK membership.	Graham Halliday	Dec Board	Commenced as part of wider influencing plan.
20	<u>Card Account:</u> An article would be provided to 'The Sub-postmaster' explaining the reasons for the Card Account outage on 23 rd September 2004.	David Smith & Graham Halliday	Dec Board	Article was submitted before the deadline for the December issue. The article did not appear and we will be asking the NFSP why they did not use it.

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| 21 | <u>Civil Orders</u> : Where fraud had been perpetrated against the Company, ensure that the appropriate Civil Orders were being used immediately in advance of any criminal proceedings. | David Miller | Dec Board | I have received a report about the way we apply Civil Orders as of now and am concerned that we are not properly exploiting the 2002 Proceeds on Crime Act. I have asked, therefore, for a speedy update of our procedures to do just that. |
| 22 | <u>NFSP Subsidy</u> : Re-consider the subsidy provided to the NFSP if they continued to undermine the position of Post Office Ltd. | Graham Halliday | Dec Board | The specific action was to assess competing financial services products and to communicate that these would not be covered by our compliance and AML training. The latter has been done via focus communications and an article will be appearing in The Subpostmaster. A list of competing products is being compiled. Considering the continuation of the NFSP subsidy will be undertaken in the light of overall developments and information gathered covering products (eg including travel). |