



26 April 2010

Dear Colleague

### **Pay/Remuneration 2010**

Over the last 12 months it has become apparent that thousands of subpostmasters are facing real difficulties in continuing to provide their local community with a Post Office service. In fact, total pay (or remuneration) to subpostmasters fell by over £10 million last year. If you factor in inflation at 3.4%, income levels dropped in real terms by over £20 million.

Given the above facts; the record profits of £62 million made by Post Office Ltd (POL) in the last financial year (2009-2010); and at least £10m in bonuses which the NFSP has calculated have been paid to POL management and directly employed staff, the NFSP believes that a pay increase was essential to ensure that our members could both hold their heads above water and, importantly for their local communities, continue to provide a Post Office service.

You can imagine our bitter dismay when not only did POL make us aware that there would be no pay increase this year, but also advised us that they would reduce subpostmaster income from the Alliance & Leicester (Santander) business banking contract by over £2 million a year.

We advised POL that this reduction was totally unacceptable and that not only did we not accept a reduction in Santander rates, we believed that subpostmasters should receive a 2% pay increase matching that paid to postmen. POL would not agree to this and is going to impose the pay cuts. Pay talks between the NFSP and POL have now broken down.

Your Federation believes that Royal Mail Group and POL are treating subpostmasters unfairly and we are not prepared to sit idly by and allow the imposition of the pay cuts.

Over the next weeks and months the NFSP will make every effort to bring our treatment to the notice of the British public through press and media.

We would therefore ask that in addition to your current work in lobbying Prospective Parliamentary Candidates (PPCs) on the NFSP's six areas for government action to deliver a sustainable future for the network, members also make local media, local councillors, PPCs,

and MPs once elected on 6 May 2010, aware of our plight. Please outline the following points:

- Subpostmasters' pay fell by over £10 million last year (2009/2010), which adds up to over £20 million when inflation is taken into account.
- Record bonuses (by our calculations) of over £10 million have been paid to POL senior management and other directly employed staff.
- Record profits of £62 million were claimed by POL last year (2009/2010) which allowed those bonuses to be paid.
- A 2% pay increase for postmen and pay cuts for subpostmasters, highlights unfairness to self-employed business people in comparison to directly employed staff in Royal Mail Group which is, in effect, a public company.
- Highlight the threat to your post office's survival and continuation of the service to your local community if your pay keeps falling.

Please be assured that, although we have limited weapons in our armoury to fight POL, this organisation will not sit idly by and allow such unfairness to be directed towards hard-working, honest, professional subpostmasters. We deliver the vast majority of POL's profits and provide the trusted, public face of the Post Office and deserve better treatment than this.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Thomson'. The signature is written in a cursive style with a large initial 'G'.

George Thomson  
General Secretary