



NFSP

24 June 2010

Dear member

Remuneration 2010-11

Following the National Federation of SubPostmasters' (NFSP) Annual Conference last month there have been a series of meetings between the NFSP and Post Office Ltd (POL) to discuss subpostmasters' remuneration. During these meetings, both organisations have recognised the significant economic difficulties facing many subpostmasters as a result of continuing commercial pressures.

Therefore, given this economic situation it has been agreed that transition payments equal to an additional £1m (broadly equivalent to the reduction in business banking rate changes) will be provided to smooth the overall impact on remuneration in 2010, as a result of market rate changes to contracts such as Post Office card account (POCA), Rod Licences and Santander.

Additionally, £600,000 will be made available in respect of Horizon Online trials. This is an ex gratia and one-off recognition payment to branches that participated in the initial trials. The payment will be tiered according to the length of time each branch has been in the trial and with reference to the scale of the branch.

Furthermore, the future purpose of the Discretionary Fund will be reviewed. Subject to legal clearance, it is envisaged that part of this fund (up to £1m) may be used to assist Post Office branches in situations of genuine hardship.

Subpostmasters are also already benefiting from the recent increase in Royal Mail tariffs, resulting in an additional £2m going into subpostmasters' remuneration this year.

Within our discussions, it was also recognised that the current fiscal constraints and the potential privatisation of Royal Mail will require both organisations to work closely together in order to protect subpostmasters and build a successful future for the post office network.

In conclusion, we feel that progress has been made and these additional payments will help the network in the short-term as the NFSP and POL work more closely together to secure the network's future. The NFSP believes that these further concessions by POL are the best we can achieve under the present circumstances.

Yours sincerely

George Thomson
General Secretary