



NFSP

Dear subpostmaster

Tuesday 12 October 2010

Forthcoming changes to Post Office and Royal Mail

As you may be aware, big changes are being proposed for the Post Office and Royal Mail.

Last month, a government commissioned-report by Richard Hooper recommended that Post Office Ltd (POL) should remain in public ownership but be separated from Royal Mail Group; while Royal Mail Letters should be privatised, with the taxpayer picking up the pension deficit and a new system of regulation set up at Ofcom. The government has announced its support for all of these measures.

Recent press reports have also speculated on a possible restructuring of POL into a mutual company owned by its workforce.

As I write this, a new Postal Services Bill is expected to be tabled in the House of Commons any day now to bring about these changes.

The National Federation of SubPostmasters (NFSP) is in regular discussion with government ministers and senior staff at POL and Royal Mail Group to establish what these plans will mean for subpostmasters and for the post office network.

We are currently considering all options in how we respond to the government's plans. However, we are concerned that the Bill is being published prematurely, without sufficient attention given to how we secure additional income streams for post offices from new banking, government and other work.

Separating the retail arm from the mails business would be an unprecedented step. POL is struggling and remains a loss-making business; while falling remuneration rates and rising running costs mean that many subpostmasters are struggling to keep their businesses running. Therefore, we are concerned that as things stand POL is not strong enough to survive and prosper as a stand-alone company outside of Royal Mail Group.

The NFSP will continue to press for firm guarantees, rather than vague promises, from ministers on measures to safeguard our post offices. These should include guarantees on more government work for post offices; on Royal Mail work and on mailwork offices; and for measures to help the business to once again become profitable and fit for purpose, and ensure subpostmasters have a greater say in how the company is run. Without clear and firm commitments in these areas, the government's plans will risk making an already precarious situation for post offices even worse.

I will be in touch again in the coming weeks as further information emerges. In the meantime, please check the NFSP website at www.nfsp.org.uk for further information.

Rest assured that the NFSP will fight to achieve the best possible outcome for subpostmasters, for our great network and for our millions of customers.

Yours sincerely

A handwritten signature in black ink that reads 'G. Thomson'.

George Thomson
General Secretary