

No 331/24

10th October 2024

Dear Colleague

POST OFFICE: CHAIRMAN'S STRATEGIC REVIEW - FUTURE OF THE POST OFFICE

Branches are advised that Nigel Railton, the Interim Chair of Post Office (formerly CEO at Camelot and appointed at Post Office on 1st May by Kemi Badenoch) instigated a formal Strategic Review of Post Office, due to conclude by October. A Business & Trade Dept press release on Railton's appointment stated he will "*be invited to give Ministers his views on the future direction of the Post Office*". Furthermore, Badenoch stated he will "*fix the issues of the past whilst transforming the company for the future*".

Our Post Office members are aware that there have been some well-informed press articles in this week's national press that indicate significant numbers of job losses are being planned by Post Office as a result of the Chairman's Strategic Review. These articles are obviously very troubling for our members who are now facing an uncertain future. As would be expected we have received enquires as to what the Union's stance is on this matter.

We are clear that the immediate focus needs to be on reducing costs amongst the multiple layers of senior managers that have incrementally increased in recent years. In fact, there appears to have been an explosion of managerial jobs and it would be fair to say that empire building is rife. There is also concern that many "managers" do not even have line manager responsibilities. Obviously, Post Office's bloated management structure is unsustainable, as indeed are the unnecessary and multiple tiers of management that slows down decision making, accountability and in all probability creates duplications by the operation of silo working.

Equally, the Union is adamant that there should be no attack on front line operational jobs that are customer facing or those necessary jobs that provide crucial support for Postmasters. This includes cash provisioning via Supply Chain which must remain an in-house operation. The Union would naturally oppose outsourcing of key jobs and roles and if necessary this would include industrial action.

The Chairman's Strategic Review is evidently a challenge to the Union and our members, particularly as it focuses on cost reduction. However, it should be understood by all concerned that the grotesque mismanagement of Post Office in recent years, and in particular the approach taken to litigation surrounding the Horizon scandal, has led to the squandering of hundreds of millions of pounds in legal fees in a futile attempt to defend the indefensible. This included a robust defense of Horizon itself when Post Office sought to defeat the Group Litigation claim by the Justice for SubPostmasters Alliance.

Clearly Post Office is in a long-term crisis of its own making and this situation has been exacerbated by the inertia and the lack of innovation shown by the Board in recent years. Indeed, what is abundantly clear is that internal fighting amongst the leadership of Post Office and the obsession with Nick Read, former CEO, to receive more money via pay rises and enhanced bonuses has been the focus rather than trying to make the business a viable concern in the future.

Therefore, the Union is adamant that our members must not be associated victims of Horizon and their jobs mustn't be viewed as collateral damage by the new Leadership of Post Office. Whilst there is a case for reforming Post Office and definitely growing products and services, we must do everything necessary to ensure that our members' jobs are safeguarded for the future. It follows that our members may have to be prepared to fight for their jobs.

Finally, Post Office, at a very senior level has already confirmed it actively wants to engage with the Union and arrangements are being made to ensure we have regular dialogue over the coming weeks and months. During these discussions we will naturally be seeking to influence the outcomes arising from Strategic Review, with the dual aims of protecting our members' jobs, whilst ensuring Post Office has a sustainable future. Post Office, for its part, has declared its determination to bring about a long-term commercial success for Postmasters and in doing so provide better remuneration which in turn will protect the social value for communities. The Union fully supports better pay for Postmasters which is absolutely vital to stop further closures. A Post Office communication from Neil Brocklehurst, Acting CEO regarding the Strategic Review is attached for information.

Further developments will be reported.

Yours sincerely

Andy Furey
Assistant Secretary

One News Special



Thursday 3 October 2024

Strategic Review and Branch Technology

All,

As you all know, work has been under way on a Strategic Review of the Post Office for the last few months, and I'm pleased to say that the Board met last week to discuss its recommendations and gave approval to engage with the Department for Business and Trade (DBT) on the proposals.

I believe that this is a positive outcome for both Postmasters and for Post Office. My goal is to address the issues and challenges we face so that together we set Postmasters up for long term commercial success and protect the value that Post Offices bring to individuals, communities and high streets across the United Kingdom.

To enable the delivery of the Strategic Review, we have now started conversations with DBT to secure the funding. I am hoping that we will reach an outcome on this around the time of the Budget Statement in late October, and I will provide a more detailed update on plans soon after.

One core area of focus of the Strategic Review has been the future of our branch technology. It's critical that we provide Postmasters with efficient, flexible tools and systems that operate to the highest levels of integrity, so they can provide the best possible experience to their customers and communities. While the Strategic Review is ongoing, and informed by other discussions with the Board and stakeholders, we have taken the opportunity to review our current approach to our delivery of new technology, to make sure it will deliver what Postmasters need in the most effective way possible.

This means that from next week, we will start re-assessing and reprioritising the New Branch IT (NBIT) programme. This does not mean we will be stopping everything. Critical investment in Horizon's infrastructure will continue and, importantly, we will be moving forward with the installation of new technology into branches over the next 12 months. This includes replacing the Horizon counter hardware as well as a long-term replacement of the Paystation device. It also means deploying new cash and mails automation devices which Postmasters have been calling for. We will also confirm plans for our future relationship with Fujitsu.

I look forward to updating you all in due course on the wider recommendations from the Strategic Review and the revised NBIT plans as we progress. And we will have time for more detailed Q&As at future 10@10s.

If you have any questions about either the Strategic Review or our technology strategy please ask your line manager, SEG member or me directly.

Many thanks for all your continued hard work.

Yours sincerely,

Neil Brocklehurst
Acting CEO

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This email has been sent all Post Office colleagues.

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