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Dear Calum,

Thank you for your letters of 30 January to the Secretary of State and myself, regarding Post Office governance and NFSP proposals for the establishment of an Oversight Committee to scrutinise decision making by POL. Please accept this as a joint reply to both letters, and I apologise for the delay in responding. It was good to catch up at our last quarterly meeting on 17 April.

The Post Office faces unprecedented challenges and needs to work at pace, to right the wrongs of the past as well as continue the essential work to implement the necessary operational and cultural changes needed within the business. As I have always said, any changes to Post Office governance would need to take into account the costs and timing of the significant issues facing the Post Office, not least the redress schemes and investment in the new IT system.

We continue to work with the POL to ensure that the Post Office is fit for the future and always welcome views on the post office network. I believe that the presence of two Non-Executive Director Postmasters, elected by other Postmasters, on the Post Office board will ensure that postmaster voices are being heard at the highest level and that senior management are aware of the impact that strategies and changes they decide upon will have on those who are on the front lines of delivering services.

As you note, we have previously discussed your proposal for the creation of an Oversight Committee to support decision making by the Post Office Board. I look forward to receiving a more detailed outline of your proposal so that we can give it full consideration.

Regarding Hard to Place (HtP) Post Offices, I appreciate it must be difficult for postmasters in this situation. Whilst the level of compensation offered to HtP postmasters represents a commercial matter for Post Office Limited to determine, the Government supports POL's attempts to develop a more pragmatic and flexible approach to this issue. The access criteria will ensure that, across the country, 99% of the population will continue to live within 3 miles of a Post Office.

While I appreciate the concerns raised on this issue, I believe that the previous situation was more detrimental to all parties involved. We want these branches to stay open, not to close.

But equally, we don't want people to hold on, as they have for a number of years already, in the hope that they'll get compensation that may not materialise. POL's updated offer represents a compromise.

Thank you once again for taking the time to write.

Yours sincerely,

KEVIN HOLLINRAKE MP

Minister of State for Enterprise, Markets and Small Business Department for Business and Trade