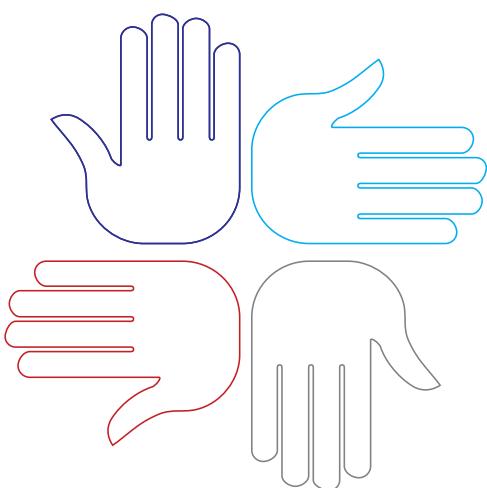
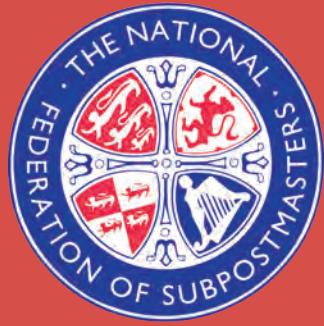
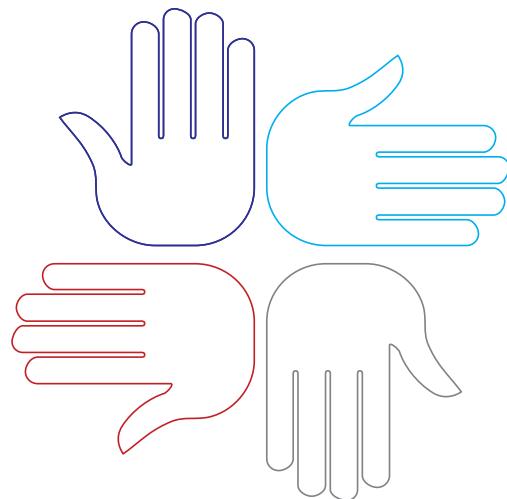


2018

ANNUAL REVIEW



A helping hand



A helping hand

ANNUAL REVIEW

2018

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About the NFSP

“ The NFSP is committed to sustaining a robust and vibrant post office network ”

The National Federation of SubPostmasters (NFSP) is a professional trade association representing independent business people who act as agents for Post Office Ltd. Our members own and operate sub post offices, which are 98% of the national post office network.

The NFSP is committed to sustaining a robust and vibrant post office network. We do this by supporting subpostmasters to maximise the profit from their post office and retail businesses.

We also work closely with all organisations that have an interest in post offices, including Post Office Ltd, Royal Mail, and Government, to influence on behalf of subpostmasters.



Chairman's foreword

Welcome to the 2017/18 annual review and my first as Chairman. I have, of course, been involved with the NFSP for many years, and have been a subpostmaster for even longer.

During that time I have seen the NFSP go through many changes in personnel, priorities and in its processes. However, the scale and pace of change delivered in the past two years was unprecedented. It is a credit to my predecessor, Jim Nott, and to the team at headquarters that we have delivered those changes effectively and have been able to continue to represent subpostmasters, and to grow and diversify the support we provide.

This document sets out the progress the NFSP has made in the year. In it we explain to you, our members, what we have achieved on your behalf. It has been a busy year for the NFSP, we've a lot of new faces in the retail team, in the communications team, and a whole new mails segregation team.

We shall also be saying goodbye to a very familiar face. George Thomson, General Secretary for eight years and Chief Executive for two, will be leaving the NFSP next year to pursue challenges beyond the post office industry. George became involved in the NFSP's work through the Negotiating Committee in 2004. He has been at the very heart of our organisation for a long time and his experience and passion will be missed. On behalf of the Council I would like to take this opportunity to thank George for his dedication

to the NFSP and for his tireless work on behalf of our members.

George leaves the NFSP in a strong position. We have successfully transformed from a trade union to a trade association representing the largest retail network in the UK. We have secured a 15-year funding deal from

“The NFSP has been able to invest and modernise our own services to best support the changing needs of subpostmasters”

Post Office Ltd, which means the NFSP has been able to invest and modernise our own services to best support the changing needs of subpostmasters, and we have a clear succession plan with the early appointment of the Chief Executive Designate, Calum Greenhow.

The annual review looks back over the year, and we are incredibly proud of the amount that has been achieved. However, we know that this is just the start; the focus has been on bringing in the right resource, and ensuring our existing processes are fit for purpose.

We've much to do in the forthcoming year, and you'll see we have set out our future priorities towards the end of this document (pages 16-19), so you get a sense of our plans. One of the key areas we shall be looking at is the support provided to the Council and I look forward to updating you on the progress made in that area next time.

The Council continues to meet quarterly, and is able to meet more frequently, if required. This year there was just one additional meeting, a workshop with Post Office Ltd representatives to collaborate on solving common problems and identifying possible opportunities. Three new members have joined the Council in the year: David Sanghera, PO General Manager, Rymans, and Ian Sanders, Group Commercial Director, WH Smith, both of whom bring representation for multiples on to the Council for the first time, and Sue Edgar, who has joined as Council representative for the North East, replacing Paul Haines, who stepped down this year. On behalf of the Council I would like to take this opportunity to formally thank Paul for his work and to welcome our new colleagues.

Meetings with Post Office Ltd take place frequently; our Chief Executive meets with Paula Vennells, Post Office Group Chief Executive, on a regular basis and has also met with Moya Greene, Royal Mail Chief Executive. Moya will be speaking at our annual conference, which will take place in February 2018. It is much earlier this year so that delegates can attend the Spring Fair, which is taking place in the nearby NEC in Birmingham. I look forward to seeing many of you there.

Finally, thank you for your continued support and engagement and I look forward to working with you in the coming year.

Nilesh Joshi
Chairman

Chief Executive's introduction



“ It has been
a privilege to serve
such an important
organisation
for so long ”

I am pleased to introduce the 2017/18 annual review. It has been a busy year for the NFSP; we've expanded the practical support we are able to offer to subpostmasters, we've increased our capability by recruiting additional expertise into headquarters, and we've cemented our role as a professional trade association and small business champion.

As I prepare to leave the NFSP I am looking back not just over the past 12 months but over a long career fighting for subpostmasters. It has been a privilege to serve such an important organisation for so long and I am proud of all that we have achieved. There have been many difficult moments; there have been times when we have not been able to get all that we wanted but also many times when we have achieved much more than we thought possible. In particular, securing a meaningful choice for subpostmasters under Network Transformation is something I will always look back on with a genuine sense of achievement.

I am acutely aware that, in many ways, life has never been more difficult for subpostmasters. Our high streets are an incredibly tough place to trade. Post Office Ltd is blindly pursuing profit with little regard for those of us at the frontline. For the first time, I think we are seeing a change of emphasis within Post Office Ltd from quality of service to quantity of sales – a stack them high and sell them fast and cheap mentality. This is a natural reaction when faced with tough competition, particularly in the mails industry, but it is not the right one, and it devalues the quality of service subpostmasters provide.

It is the NFSP's job to keep them honest, and remind them of the values which our customers hold dear. We cannot allow them to abandon the very things that make the post office one of the UK's most trusted brands.

I care very much about what happens to subpostmasters, and to the NFSP. That will not cease to be the case when I step down – it will always be a cause

very close to my heart. The support we have put in place this year, which you can read about in detail in this document, gives subpostmasters the best possible chance of dealing with these challenges. We've made significant changes within our organisation to ensure that we are able to meet subpostmasters' changing needs.

We've adapted to changing circumstances, focusing on the areas which are important to members and will give us the greatest bang for our buck. We've made tough decisions on funding, on resources, and in setting our priorities, and we have done all this hand-in-glove with subpostmasters themselves.

Our members must do the same. Subpostmasters must work to understand their customers and expand their offer in order to grow their business and protect their profit margins.

There is wisdom in knowing which fights are worth having. The NFSP will always fight for fair treatment of subpostmasters, for fair commission rates, and for fair terms and conditions. But now we have to do more than that. We have to help our members to diversify, we must support members with the retail side of their business, we have to expand our range to meet changing needs. I am confident that the team we have in place is the right one to support subpostmasters now and in the future.

Thank you for all the support you have given the NFSP over the years. I look forward to seeing many of you at conference and wish you a prosperous 2018.

George Thomson
Chief Executive Officer

A message from the Post Office

Paula Vennells

Post Office Ltd Chief Executive



Last year I wrote 'we're living in fast changing times'. It's fair to say that the pace of change has not slowed. We have continued to respond to our customers' needs: longer working hours, and increasing numbers of joint income households mean that our customers need our services at different times. Together we have introduced over 200,000 extra opening hours each week, and become the UK's largest Sunday retailer. We've continued to modernise branches because we know that competition is fierce and customers are increasingly demanding – they want a quick service in a fresh, and modern environment.

Most importantly, we've seized the opportunity presented to us through bank closures across the country. The banking framework means that 99% of UK bank customers and 95% business banking customers can now carry out transactions in their local Post Office. This is a vital service for local communities, which we are uniquely placed to offer alongside postal services and retail – all under one roof.

This is fantastic progress – my thanks to you and to your colleagues for responding so well and professionally. There is more opportunity to be had. I forecast that 2018 will be good for us in parcels, in banking services and in travel money. You can then overlay your own local context – where else do you see customer needs to satisfy in your local community? But for all of us, there is clear upside to be gained by strong promotion of Drop and Go and of all Royal Mail's excellent products, as well as spreading the word on our Banking Framework, and on our multi-currency card. I know from my many branch visits that running a Post Office is still one of the most satisfying jobs around and the opportunity to grow again next year is there.

I also know that costs continue to rise, which impact both Post Office Ltd., and you as postmasters. I and my Board are very clear that we need to continue to maintain as low a cost base as possible. New competitors may not have the wealth of products and experience we have but they run much cheaper systems and have simpler processes. And so over the next three years, we will be investing heavily in upgrading our base systems, redesigning processes, looking at how we can make the back office more

economic to run and our product suite more flexible and less costly to change: all so that we can respond to customer needs more quickly. We'll also be looking at the way we communicate with you, aiming to set up an online portal for postmasters and ultimately moving to a paperless relationship with you, providing instant access to the information you need and benefiting the environment.

This investment once bedded in will save money, which we commit to invest in post offices: either as digital investment for branches –

improving customer service and back office processes; or as we announced recently with mails simplification, to take the cost to serve down and to share that saving with you. We believe the majority of postmasters appreciated this approach and the significant transition period: as far as we can see, no other retailers or suppliers would share the benefits in this way. Some are unsure how they will remove the cost in their own branches to realise the saving. We can help as can the NFSP Retail Team – if you know someone in this situation, ask them to get in touch.

Over the past year, we have restructured our central functions, so that we are better able to focus on the needs of our customers. Again, our aim has been to simplify processes and reduce costs. And as you've seen, we've started to upgrade the technology in Post Office branches, providing the faster, modern equipment that you and our customers rightly expect. This continues to be a critical programme because of the (as always with the Post Office) unprecedented scale. Tens of thousands of counters and connections are being changed. A programme of this size will have failures: engineer sickness, human error, postmaster refusals, kit issues, network failure, etc. But it is all fixable. I've visited some postmasters impacted and I'm grateful for your patience; in all cases it is a nuisance and in all cases we fix the issues.

Change always takes a while to fully settle – but it is vital we work with it to ensure that the Post Office offers a service which matters just as much to the customers of tomorrow as the ones of today. We will continue to make technology an investment priority, to make the products and services we provide as good as they can possibly be, working hard to ensure that we remain number one in letters and parcels, as well as the UK's number one provider of cash services. We also aim to retain our challenger brand status in financial services as interest rates start to open up the market again; and we are looking to build on our lead in digital identity services, where we hold the largest market share on the Government's Verify platform.

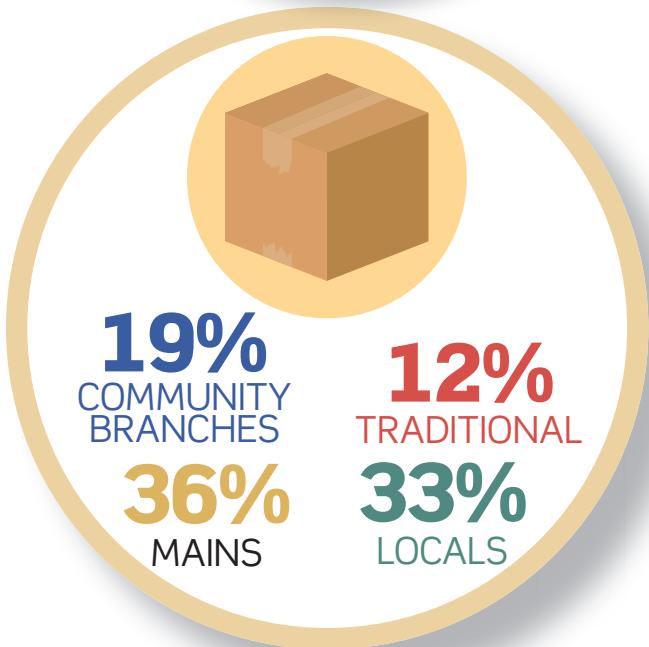
Our positive impact on communities across the UK is clear to see – research by Government during 2016 calculated the Post Office's annual social value to its customers, to communities and small businesses at up to £9 billion. That is a significant contribution to the nation's economic and social wellbeing, which together with achieving our first profit for some years, is a contribution we all can be proud of. Thank you for the part that each of you and your branch colleagues have played, I continue to be excited about the Post Office and the great future we have together.

Finally, I would like to congratulate Calum on his appointment as your Chief Executive and to thank George for his unstinting challenge and commitment to UK post offices over many years. Although not always quite seeing eye to eye, we have shared a passion for this great business that is important to so many customers and communities across all four nations. It has been a genuine pleasure to work with George and I wish him and Susan well for the future.

Due to a prior commitment, I can't be with you at this year's conference but I'm delighted that Debbie Smith, who continues Kevin Gilliland's great work as Retail Chief Executive, will be giving the keynote speech for the Post Office. I hope you have an enjoyable and informative conference and I look forward to connecting with many of you individually over the coming year.

“I forecast that 2018 will be good for us in parcels, banking services and travel money”

NFSP in numbers



Type of products sold



*based upon the responses given to the *The SubPostmaster 2017 reader survey*



Our strategy

In 2017 we set out our vision for the NFSP, an organisation which has, in the past two years, transformed from a trade union to a professional trade association and small business champion with a clear aim to support members to maximise both their post office and retail profit.

This dual purpose was important as we faced the changing political, social and commercial environment and sought new ways to support our members in light of the significant impact being felt right across the post office network.

As a reminder of the context in which we now operate, public demand for post office services remains in long-term decline, evidenced by the continued fall in customer visits. Developments in online shopping and new technologies continues to be a revolutionary force, driving consumer behaviour and reshaping markets.

Government naturally wants to benefit from the reduced costs and perceived efficiencies of online servicing and remains committed to 'digital by default', migrating more services online and in doing so further reducing the need for post office services. With

branches now playing a smaller role in providing access to public services, and in an era of public austerity, Government may feel under pressure to justify an ongoing substantial subsidy for the post office.

A diminishing customer base means a diminishing income, and a corresponding increase in unit costs for individual branches, amounting to many more thousands required to run the existing network. For individual branches to continue to be profitable there must be new sources of income. Increasingly, this means more and more of our members are expanding their retail offer. In such circumstances, the post office part of their business is just a proportion of the subpostmasters' income, and we are seeing over time this is becoming an increasingly small proportion.

These changes are having a significant impact, not just on the economics of operating a post office but also on the nature of subpostmasters. The traditional subpostmaster, operating a single, stand-alone branch, is declining and an estimated one in five branches is now managed by large, multiple-site retailers. The network is also seeing a growth in outreach and remote services,



“For individual branches to continue to be profitable there must be new sources of income”

particularly within rural and remote areas. This trend reflects the growing challenges of attracting operators to maintain branches with few customers and transactions, and limited opportunities to build a retail business.

Looking at the shifting demographics of our membership, and considering the changing environments in which they now operate, the NFSP

concluded that the support we offer members also needed to change. An increasingly entrepreneurial, retail-orientated network base has significantly differing needs than that of a network dominated by traditional, stand-alone branches historically dependent on Government services. To meet these changing needs, the NFSP recognised the necessity of providing improved, practical services to help build and strengthen retail and business skills alongside its traditional activities representing subpostmasters and fighting for fair commission rates, fair treatment, and fair terms and conditions.

For 2017/18 the NFSP committed to continuing to develop its role as a strong, credible voice of subpostmasters, reflecting your views, and ensuring the value you add to the overall Post Office Ltd proposition is recognised. We have begun a programme of transformation, reviewing our vision, mission and values, restating our strategic objectives and reflecting upon our governance structure, organisational infrastructure, culture and working practices. This work is well underway, and has benefitted from the early appointment of the CEO Designate, ensuring the changes we make now will endure.

The NFSP's immediate priority was to strengthen our internal capabilities to enable the development of a comprehensive and effective range of services to support subpostmasters. We've approached this in two ways, firstly by successfully recruiting into a number of internal vacancies, which are detailed in the Our Progress section of this document. Secondly, with those specialists in place we have begun a review of the organisation's activities so that we can make an assessment of whether the services we currently provide will continue to meet subpostmasters' needs.

We identified three key areas for development:

Commercial

- Develop the NFSP's ability to work directly with subpostmasters to provide practical advice and support to help build successful post office and retail businesses;
- Develop the NFSP's relationships with a wider range of commercial partners and suppliers to provide discounted goods and services to members.

Post Office

- Provide practical advice and support to improve current performance of mails segregation.

Representation

- Support subpostmasters across a range of practical and operational matters, including contractual issues;
- Provide an effective channel (through the Negotiating Committee) to use the expertise of subpostmasters in post office strategy, product development and marketing.

The remaining sections provide our assessment of how much progress we have made within each of these areas and highlight some of the areas we shall prioritise in the forthcoming year.

Our progress



Review of the year: building from a solid foundation

This year we have focused upon developing the NFSP so that we have the right structures, resources, and people in place to meet members' needs.

In 2016/17 we laid the foundations for the NFSP to become a professional trade association and small business champion, supporting our members to maximise both their post office and retail income.

The 15-year funding arrangement we negotiated with Post Office Ltd has meant that the NFSP has been able to invest in the support we provide to members. This funding, along with the project-specific grants, means that we have been able to provide free, tailored support to all serving subpostmasters.

Good governance

One of our priorities for the year has been to ensure good organisational infrastructure and good governance.

Good governance is vital for any effective organisation, and at the NFSP we know it is crucial for making the most of our resources. The most important resource we have is the subpostmaster community. We are lucky enough to have serving subpostmasters involved at every level of our business. The right

governance structures mean we are able to get the very best from that knowledge and experience to inform the decisions and actions we take on our members' behalf.

Any effective organisation takes time to consider how it might make improvements. The NFSP is no different and this year we have focused upon our Council. We've introduced pre-meeting reports so that the time your representatives spend in meetings can be used to question and challenge rather than to receive updates. We are looking at the format of these reports, and how best to present often complex information in a format which is easy to absorb.

By improving the quality of the information the Council receives we will enable effective preparation and considered discussion within the meetings. This is the start of a wider review around how we can make the best use of the Council's time and expertise to support our members.

Representative Council

We have also looked at the membership of our Council. It is important that those at the very top of our organisation are representative of the broader membership. With approximately 20% of our members now part of a multiple or affiliated to a symbol group, we felt it important to seek appropriate representation within the Council. In August 2017 we appointed Ian Sanders, Group Commercial Director, WHSmith, and David Sanghera, PO General Manager, Ryman, to the Council and we are grateful for their continued input.

Organisational effectiveness

At an organisational level we have considered very carefully the structures and skills we need to support members and have recruited accordingly, with a new retail support team and mails segregation team appointed within the year. Both teams are out in the field delivering on-the-ground support to members. This kind of bespoke support, tailored to meet individual needs, will continue to be central to the NFSP's offer. Further detail is available later in this report.

Within headquarters, a new Director of Operations has been appointed and is overseeing the development of our organisational capability and a new Director of Communications and Strategy is leading improvements to member communications, research and representation.

Annual conference

The NFSP's annual conference is an important opportunity for subpostmasters to gather and hear about the work we are doing to support you. This year the theme of the conference was Moving Forward Together and, alongside the updates from the NFSP, we also ran practical workshops and hosted a number of debates involving representatives from Post Office Ltd and our commercial partners. The conference once again took place in Solihull, enabling delegates to visit the National Convenience Show at the nearby NEC. This was a welcome opportunity for many delegates and we have therefore brought forward the 2018 conference to February so that delegates can attend the Spring Fair.

The theme of the 2018 conference is A Helping Hand and will highlight some of the areas in which the NFSP is providing practical support, alongside effective representation, which remains the cornerstone of the work we do for our members.

Organisational capability and supporting members

During the year a new Director of Operations was appointed with responsibility for building organisational capability. This covers everything from improving the systems and processes at headquarters through to supporting the branch secretary network.

One of the most important projects the Director of Operations has embarked upon is bringing in a new system for managing and storing the information we hold about our members.

The security of our members' data is of paramount importance and one of the main reasons we have prioritised this work is so that we can bring in a modern system, capable of capturing members' preferences, which is up-to-date and we can be confident is secure.

The NFSP, like many organisations, is reviewing the new responsibilities which shall come in with the General Data Protection Regulations in May 2018, to ensure we are fully compliant. Our approach has always been to treat our members' information with the respect with which we expect our own information to be treated, and that principle shall continue.

The new system will be in place in the first part of 2018. Once the new system is up and running we shall move the existing information we hold into the new system, identify any gaps, and carry out a substantial piece of work to fill those gaps. Data will be collected only where there is a clear benefit to members, such as improving the relevance of our communications, or the effectiveness of our representation.

Related to this is the development of a new online offer for members, delivering both a refreshed website and online member area which will include a new member forum. These new tools will enable the NFSP to deliver tailored, member-specific content and put members in control of the type of information they receive.

The Director of Operations has also been working closely with the Director of Retail and Commercial to support the branch secretary network. This includes the development of a new branch secretary guide and providing speakers for meetings, notably from the mails segregation team (more on this team on the following page). Further work will be carried out on the demand for





“These new tools will enable the NFSP to deliver tailored, member-specific content”

grant from Post Office Ltd. This is an experienced team, with many having worked as subpostmasters themselves or within Post Office.

Their approach is to provide practical support, explaining how to segregate mail correctly, and supporting those subpostmasters who have not complied with the mails segregation requirements to make any necessary changes. In the first four months of operation the team made 923 phone calls to subpostmasters and 263 office visits. As noted on the previous page, the team is also attending branch meetings to explain the importance and value of the targets and to share best practice.

The team began its work in earnest in July 2017 and is already beginning to see the impact, with correctly sorted first class parcels up by 2.1%, correctly sorted letters and large letters up by 2.7% and correctly sorted second class parcels relatively steady with a small increase of 0.6% (when comparing June and October figures, which are the latest available).

The overall year to date figures are shown in the table below alongside the targets.

These are challenging targets; importantly they are also collective targets, meaning every subpostmaster must ensure their branch (or branches) is pulling its weight and segregating mail correctly every time.

The NFSP is committed to supporting subpostmasters to achieve the full payment and bonus available for mails segregation, and this work will continue throughout 2018/19.

For more on our plans for the future, please see pages 16-19.



national and regional thematic events to complement the branch secretary meetings.

To find out more about the NFSP's future priorities, please refer to pages 16-19.

During the year we renewed our commitment to provide members with discounts on a wide range of products, services, and experiences for both their business and for them as individuals. We promote these benefits through our in-house magazine *The SubPostmaster* and to members via social media. We track take-up of these benefits and keep their suitability and relevance under review.

The operations remit also covers helping subpostmasters to improve mails performance and achieve the mails segregation targets agreed between Royal Mail and Post Office Ltd. Meeting these targets is worth a significant amount to subpostmasters – £5.2m in annual payments with a £1m bonus if the targets are met.

A 10-strong team of mails segregation advisers has been recruited to support this work, funded by a project

Royal Mail segregation target

Year to date performance April to October

1st class parcels	97.5%	91.6%
2nd class parcels	97.5%	92.5%
Letters/large letters	86.5%	87.4%

Developing a comprehensive suite of support services

In 2017 the NFSP hired a team of seven retail experts, supported by a permanent member of NFSP's head office staff, and funded by a project-specific grant from Post Office Ltd.

The team's purpose is to help NFSP members improve their retail performance. This support includes everything from helping subpostmasters introduce retail into their business for the first time to supporting those with a mature retail offer to grow their business.

In setting up the team we envisaged delivering an end-to-end service supporting subpostmasters to refurbish their existing businesses. The Concept 2 Conclusion (C2C) service launched in August and covers everything from ideas generation and first drafts of plans through to identifying possible funding, accessing pre-approved suppliers, and evaluating effectiveness.

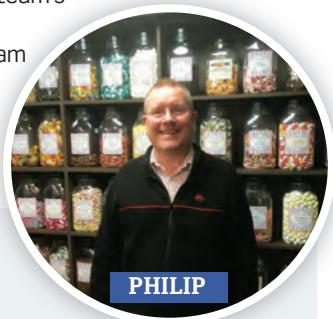
More than 35 subpostmasters are working with the retail team under the C2C service and, with our support, have secured £200,000 of financing for improvements. These projects include everything from replacing dated shelving and signage to full shop refits.

Between February and November more than 300 subpostmasters submitted a formal request for help from the retail team. Those seeking help frequently referred to their desire to better meet customers' needs.

This customer-centric focus is typical of the subpostmaster network and is one of the many strengths of our industry.

To date, the retail team has made more than 200 individual office visits. Subpostmasters offer post office services alongside a huge range of retail provision from the more traditional cards and stationery to estate agents and even pet shops. A one-size-fits-all solution simply does not work in these circumstances. The NFSP's bespoke service is resource intensive, often requiring more than one visit, and frequent contact with the NFSP's network of suppliers to ensure the solutions meet the subpostmaster's needs. After each initial visit the retail consultant works up a practical and comprehensive action plan for the subpostmaster to act upon. We recently surveyed a small selection of those who received a retail visit: 92% of those surveyed felt the retail consultant was able to give an appropriate level of advice, and 74% would recommend the retail team's services.

In addition to bespoke services the retail team has also delivered a workshop on Managing a Google Page for your Business to approximately 550 subpostmasters at 30 branch meetings. Social media training has



PHILIP

Philip said: "More people are coming in to the shop, and our regular customers think the new layout is a big improvement."

CASE STUDY: HALTWHISTLE POST OFFICE

Philip and Helen Johnson asked the retail team for help after owning their post office and card and stationery business for three years. The layout wasn't working for them or their customers, their income was far below what they had expected, and they dreamed of running a traditional sweet shop, alongside the post office and their new bed and breakfast.

Philip said: "Amanda was extremely helpful; she challenged our thinking about layout and gave us ideas, supplier contacts and social media tips. It was a great experience. After a difficult few years, we see this as a turning point in our business. We are excited about our plans for the future."

Amanda Pedley, the NFSP's retail development manager for

the north, first visited the couple in June 2017. She said: "I could see the potential to have a much more efficient Post Office and retail business by offering end-to-end support through the C2C programme. This meant we could look at the whole shop and work together to add a combi-counter to cover the Post Office and improve the layout and retail displays."

Amanda helped Philip and Helen secure funding from Post Office Ltd to move the existing counter and install a new combi-counter, which meant the couple could reduce their staffing costs by 50%.

Working with Retail Outlet Design, one of the NFSP's approved C2C suppliers, Philip and Helen were able to redesign the whole layout of the shop, making better use of the space, creating 25%

additional shelving and room for attractive window displays.

Philip and Helen are monitoring the impact carefully. They are already seeing some anecdotal improvements.



BEFORE



AFTER



BEFORE



AFTER

CASE STUDY: PENMAEN POST OFFICE

Roy and Cheryl Richards, of Penmaen Post Office, Blackwood, Wales, were advised by Post Office Ltd to contact the retail team for support applying for a grant from the Community Branch Fund.

Roy said: "It's only a small space and I wasn't sure how much we could realistically do. Mark helped me to think through what we could change, and we spoke to shopfitters and suppliers to explore what would work best for me."

Mark Jacobs, Retail Consultant, said: "I worked with Roy and Cheryl to understand the unmet customer demand they were trying to benefit from, and helped them visualise the changes they could make."

Roy and Cheryl received a grant



BEFORE



AFTER

of just over £10,000 from the Community Branch Fund, which they topped up with their own money. They installed a new fridge and freezer, a coffee and food-to-go area, and a central gondola.

Roy said: "Our regular customers have commented that the shop feels bigger and brighter, and sales are up by over 30%."



been in particularly high demand in the latter part of 2017 and we have expanded the social media offer as a result.

At the 2017 NFSP conference Moving Forward Together, the retail team ran a pre-conference workshop focusing on Facebook and Twitter. This session was well attended, and the feedback from delegates was positive. We plan to host similar sessions throughout 2018/19.

Improving awareness of the support available, and sharing best practice is a crucial part of the retail team's responsibilities. The team has worked closely with the editorial team of *The SubPostmaster* magazine to deliver engaging and informative articles, comment pieces and case studies for the monthly magazine, which is circulated to 7,000 subpostmasters. The retail team also encourages many of our suppliers to advertise in *The SubPostmaster*, bringing additional revenue to the NFSP, and ensuring members are aware of the deals available.

The team is also actively engaged with the branch secretary network, helping to meet our commitment to make the regional meetings more accessible and relevant to members. The retail team gathered branch secretaries together in April at a meeting following the annual conference to share best practice on hosting

Jim Doran, from the NFSP's retail team, shows a member stationery solutions



branch meetings. Following the 2018 NFSP conference A Helping Hand, there will be a session for branch secretaries to share best practice for running meetings, and presentation tips. We shall also announce new training sessions available for branch secretaries.

Retail consultants meet with branch and regional secretaries in their area on a quarterly basis to plan future branch meetings. A retail consultant has attended every branch meeting since March 2017, covering a total of 62 meetings around the country. Every branch meeting now includes a substantial session on retail. This might be a session run by one of our retail consultants or hosted by a guest supplier or partner. The sessions offer practical suggestions, discounted access to products and services, and an opportunity for the subpostmaster community to share best practice and ideas.

Nigel McCormack, Wincanton Post Office, said: "A thousand times better than the old format. It is important all subpostmasters know just how beneficial these meetings are now."

The retail team is also working with an additional 40 community branches, which are eligible for grant funding from Post Office Ltd's Community Branch Fund. The Fund is available to any community office wishing to make improvements to their branch – from installing new shelving, lighting or refrigeration through to a full re-fit.

The £20 million fund was made available to community branches through Network Transformation and is due to come to an end when that programme finishes in March 2018. So far 830 branches have benefited from around £7m. The average Community Branch Fund award is around £7,000 but has ranged from less than £100 to more than £20,000, depending on the nature of the work.

Both the NFSP and Post Office Ltd are keen to ensure this funding is well-used and the retail team has been heavily promoting the fund.

Nigel Parry, Community Fund Manager, Post Office Ltd, said: "The NFSP Retail Team has collaborated well with the Community Fund scheme. The support offered to our community status branches by the NFSP has resulted in an increase in applications."

In addition, the retail team has circulated a list of workshop sessions and speakers for branch meetings, and is preparing a best practice guide and branch secretary checklist to support those organising the meetings. These resources form part of the education programme the retail team is leading on, creating factsheets, videos, and how-to guides.

This resource will become available in quarter four of 2017/18 and will be developed throughout 2018/19. To read more about our plans for the forthcoming year, see pages 16-19.

The retail team is also tasked with securing preferential rates, discounts, and bespoke offers for NFSP members from suppliers. We have secured more than 20 partnerships to date, including access to a free consultation on all commercial property issues, confidential business health checks, and advice on buying and selling a business.

In addition to securing preferential treatment for our members, the approved supplier process also includes financial checks and a review of contractual details so that members can be confident that the organisations they are dealing with are legitimate, solvent and fair. Details of all our partners are available on the NFSP website, www.nfsp.org.uk

**“ Our vision is
for the NFSP to be
the voice of
subpostmasters ”**



Improving our communication channels

The NFSP exists solely to serve our members, and it is therefore vital that we offer different ways for our members to communicate with us, and us with them.

In 2017/18 we committed to improving our communication channels. Specifically, we said we would:

- Integrate *The SubPostmaster* microsite with the main NFSP website;
- Integrate the member forum with the main NFSP website;
- Continue to improve *The SubPostmaster*;
- Develop and improve our social media channels.

During the year *The SubPostmaster* microsite and the member forum have been integrated into the main NFSP website and are now all operated from a single site, making it easier for members to find the information they require.

In May 2017 we carried out a reader survey to gather members' feedback on *The SubPostmaster*. We received more than 400 responses. The key findings from that survey are highlighted below.

2017 reader survey

- 99% read the hard copy of *The SubPostmaster*
- 97% read *The SubPostmaster* every month
- 73% spend more than 15 minutes reading *The SubPostmaster*
- 69% read all or most of *The SubPostmaster*

The more detailed feedback from the survey provided us with some useful insights into the areas of the magazine subpostmasters find most useful and interesting. This has informed both our planned refresh of the magazine, which shall take place in quarter four of 2017/18 and our future communications campaigns. You can read more about our plans on pages 16-19.

This is just one way in which the NFSP is drawing upon subpostmasters' insights to guide our activities for the forthcoming period. Our vision is for the NFSP to be the voice of subpostmasters; understanding your needs and your concerns and using our expertise and influence to ensure your voice is heard by Post Office Ltd, by Royal Mail and by Government.

In 2017/18 the NFSP has improved its communications capability, hiring both a Director of Communications and Strategy and a Communications and Research Manager. Further recruitment will take place in 2018, adding a dedicated resource for communicating with members through social media to the team.

“ Receiving a paper copy enables me to flick through between customers and annotate items of interest in a way that reading it online wouldn't allow. ”

“ As a one-woman post office, reading about colleagues/issues with the Post Office makes me feel a part of something bigger and helps me to feel I am not alone. ”



Looking ahead - 2018/19 and beyond



“ We shall review our structures and processes to ensure we continue to make the most of our members' knowledge and experience ”



The NFSP continues to adjust to its new role as a professional trade association and small business champion. In many respects there has been a great deal of continuity – we still fight for fair treatment of subpostmasters, for fair commission rates and for fair terms and conditions for our members.

But the new funding arrangements mean we can do much more, offering practical face-to-face help to subpostmasters and effective centralised support from head office.

In the forthcoming year we shall prioritise our activities in three key areas:

Good governance and organisational infrastructure

Subpostmasters are at the heart of what we do. We are privileged that so many of our members take the time to participate in our governance structures through the Council, and the regional and branch structures. In 2018/19 we shall review our structures and processes to ensure we continue to make the most of our members' knowledge and experience.

Specifically, we shall continue to monitor the diversity of our Council to encourage representatives from all parts of our membership to participate. We shall review the support available to Council members, and consider whether further improvements can be made to ensure the Council is able to represent members effectively.

Our Branch Secretary network, and the opportunity it provides to meet with members face-to-face on a regular basis has always been one of the NFSP's strengths. However, recently, attendance at branch meetings has fallen and it has become much more difficult to engage members. There are many reasons for this, not least the reality of the commercial and time pressures our members increasingly face. That said, the NFSP is a member-led organisation and it is crucial that we get members' input and continue to



develop our understanding of our membership. We shall therefore discuss with Branch Secretaries ways in which we might re-engage members in the branch meetings. This will include considering the content, frequency, and location of the meetings among other factors, such as whether using new technology could make the meetings more accessible. We shall also scope out the feasibility of, and demand for, ad hoc networking and training events.

The work on the organisation's vision, mission, and values will continue and we shall review and restate our strategy and objectives.

This work will take place in the first part of next year. Alongside this, we shall consider whether our internal operations are structured in the right way to deliver what matters to our members for the long-term.

We shall also complete recruitment into the communications team.

Practical support for members

One of the most important features of the NFSP is the practical support we provide to our members, including free access to member benefits, preferential terms with suppliers and, perhaps most importantly, the ability to speak to one of our knowledgeable employees.

In the forthcoming year we shall seek to extend that practical support, building upon the good work the retail team has begun by developing a retail education programme, sharing the expertise and experience of our retail consultants so that subpostmasters can access support in different ways.

We shall continue to expand the range of commercial partnerships available to subpostmasters, all of which are checked for their financial viability and value of their offer – many of which come with discounts, preferential terms and bespoke solutions developed to meet subpostmasters' needs.

This is in addition to the one-to-one support we shall continue to provide to individual subpostmasters through retail visits.

We shall also continue to provide mails segregation support to individual subpostmasters, supporting the

“We'll develop a comprehensive programme of member research, seeking members' views and input”



network to achieve segregation targets and secure the £5.2m in annual payments and £1m bonus payment.

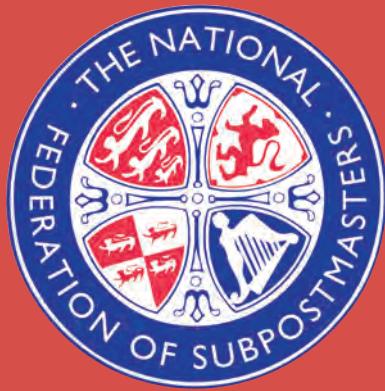
Effective communication and representation

Communications with, and on behalf of, subpostmasters will be the third focus area for 2018/19.

We'll develop a comprehensive programme of member research, seeking members' views and input across the full spectrum of our activity, and specifically looking to involve those who do not normally respond to surveys and other research activity. This will inform the development of our member-focused, evidence-based support and help us improve our communications to members.

It will also inform the engagement we have with politicians and policy-makers on your behalf, which we shall be doing much more of in 2018/19.





NFSP

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