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Secretary of State for Trade and Industry

NCBPM  
AT 30/7

BCP with Pa  
response AT 27/7

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DEPARTMENT OF TRADE AND INDUSTRY

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23 July 1984

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
Treasury Chambers  
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*D. Lloyd*

POST OFFICE OBJECTIVES

I enclose a copy of a draft set of long-term objectives for the Post Office Corporation covering the postal business and National Girobank, and would welcome comments from you and those to whom I am copying this letter. If the draft is acceptable to you and colleagues, we will arrange for an announcement in the usual way.

2 I am sending copies of this letter and enclosure to the Prime Minister, other members of E(NI) and Sir Robert Armstrong.

NORMAN TEBBIT

## POST OFFICE OBJECTIVES

For each of the Post Office's main business activities the objectives are as follows:-

### 1 INLAND LETTER BUSINESS OBJECTIVES

1.1 To make a profit each year.

1.2 To give good value for money by providing the quality and standards of service at the levels for which customers may reasonably expect to pay.

1.3 To increase the efficiency of the service and adapt it to maintain the business's competitive price position in the communications industry, so that the letter monopoly continues to serve the public interest.

### 2 OTHER MAILS SERVICE OBJECTIVES

2.1 To provide a range of complementary communications and distribution services, consisting of Royal Mail International, Royal Mail Parcels, and Premium service activities.

2.2 To make a profit from each of these three business activities.

2.3 To provide service standards that meet customer demand within a competitive market.

### 3 COUNTER SERVICE BUSINESS OBJECTIVES

3.1 To make a profit each year.

3.2 To provide efficiently and economically, financial transactions, information and other related services to meet the needs of all Agency customers, National Girobank and the Mails business.

3.3 To adapt service and operations to changing market demands, taking full advantage of opportunities offered by technology.

3.4 To provide efficient services in an attractive customer environment.

## BANKING OBJECTIVES

4.1 To make a profit each year sufficient at least to comply with financial targets agreed with the Government.

4.2 To provide a nationwide banking service to both personal and business customers using post offices as branch outlets in competition with other banks and to pursue a policy of profitable growth within the framework of prudential ratios determined by the Bank of England.

- 5 In pursuing these business objectives, the Post Office will act with recognition of its statutory and public service obligations, mindful of its special responsibilities where it provides a monopoly service, and will meet its financial and other targets and act within borrowing limits agreed from time to time with the Government.

In support of the business objectives, the Post Office will:

- 5.1 seek to realise the full potential of its workforce within a framework of good staffing practices;
- 5.2 improve the efficiency with which the resources are used and in support of that pursue a well conceived investment programme to take full advantage of technological advances;
- 5.3 reduce the cost of services, measured in constant prices, by improved efficiency;
- 5.4 develop its business in accordance with changing customer needs, seeking opportunities for profitable growth at fair prices;
- 5.5 within the framework of its statutory powers, seek profitable new business opportunities through vigorous marketing, either on its own account or in association with other enterprises.



25 JUL 1984