

STRICTLY CONFIDENTIAL

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NATIONAL FEDERATION OF SUB-POSTMASTERS

**REPORT OF A MEETING
OF THE
NATIONAL EXECUTIVE COUNCIL**

held on

21st, 22nd, 23rd OCTOBER 1996

at

THE ABBEY HOTEL, MALVERN

A G E N D A

OCTOBER 1996

- A/1 REPORTS AND RESOLUTIONS of the**
Executive Council Meeting, held on 17th, 18th, 19th June 1996
Special Executive Council Meeting held on 2nd August 1996
Special Executive Council Meeting held on 1st October 1996

A/2 MATTERS ARISING FROM THE REPORTS

A/3 REPORT OF THE NEGOTIATING COMMITTEE

The following reports refer:- NC/POCL 13.6.1996 [Pay Claim]
NC 15.7.1996
NC/POCL 19.7.1996 [Pay Claim]
NC 8/9.8.1996
NC/POCL 29.8.1996 [Pay 1996]

POST OFFICE GROUP

Post Office Board

1. Post Office Board PO BD NC

Privatisation

2. Government Review PO PZ
- The Post Office Inquiry - Trade and Industry Committee
- Industrial Action and the Postal Monopoly

Post Office Counters

3. (a) Post Office Counters Board PO PC 02 NC
(b) Reorganisation PO PC 03
- The Retail Development Centre
- Outlet Categorisation

Off-Shore Islands

- | | | | | |
|----|-----|-------------------|-------|----|
| 4. | (a) | Guernsey | OI GY | * |
| | (b) | Isle of Man | OI IM | NC |
| | (c) | Jersey | OI JY | NC |

POST OFFICE COUNTERS LIMITED

Commercial

- | | | | |
|----|---------------------------|----------|----|
| 5. | Marketing Briefings | PC CM 01 | NC |
|----|---------------------------|----------|----|

Franchise Offices

- | | | | |
|----|---------------------------|-------|--|
| 6. | Franchise Offices | PC FO | |
| | - Independent Franchising | | |
| | - Agency Transfer Project | | |

Human Resources

- | | | | |
|----|-----------------------------------|----------|----|
| 7. | Training for Subpostmasters | PC HR 04 | NC |
|----|-----------------------------------|----------|----|

Mailwork

- | | | | |
|----|----------------------|----------|----|
| 8. | Payment System | PC MP 04 | NC |
|----|----------------------|----------|----|

Network

- | | | | | |
|----|-----|--|-------------|----|
| 9. | (a) | Local Area Network Plans | PC NW 02 | |
| | | - Conformance Trial - Raising the Standard | | |
| | (b) | Counter Automation - BA/POCL | PC NW 06 01 | |
| | (c) | Counter Automation - APT/Bar-coding | PC NW 06 02 | NC |
| | (d) | Counter Automation - ALPS | PC NW 06 07 | |
| | | - Reimbursement of electricity costs | | |
| | (e) | Counter Automation - Mondex Trial | PC NW 06 08 | NC |
| | (f) | Funding of SPSOs | PC NW 09 03 | NC |
| | (g) | Regional Cash Analysis and Logistic Link | PC NW 09 04 | NC |

10. **Security**

- (a) "Counter Attack" Security BookletPC NW 11
- (b) POCL/NFSP MeetingsPC NW 11 01
- (c) Devolution of Budget to RegionsPC NW 11 01 NC
 - 'Matrix' Approach to Format and Security
 - Regional Security Forums
- (d) EquipmentPC NW 11 02 NC
 - Security Questionnaire and Research
 - Trial of Smoke & Dye Packs
 - SPSO 2000
 - New SPSO anti-bandit screen (SPSO 2000)
 - Access Doors
 - Anti-intruder Alarm Grants
 - Proposed Trial of Remote Alarm Signalling
 - Open Plan
- (e) Trauma Care ProgrammePC NW 11 03
- (f) CashcoPC NW 11 08 NC
- (g) RomecPC NW 11 09 NC

Product Range

- 11. (a) Postal OrdersPC PR 01
- (b) Gift VouchersPC PR 06 *

Quality

- 12. Customer FirstPC QY 01
 - Change in Focus of the Quality Function
 - Compensation Trial Research
 - Charter Mark
 - Waiting Time Measurement System
 - Putting Customer First - Transactional Training
 - Market Research

Subpostmasters Contract

13. (a) Termination ProceduresPC SC NC
(b) Introductory PaymentPC SC 04 NC
(c) Advertising/CanvassingPC SC 07 NC
- Franchise Contract Post Offices: Incentive
Schemes & Customer Loyalty Schemes
(d) Loss of Office (Compensation Agreement)PC SC 12 NC
(e) CashStopPC SC 21 01
- G.E.T. Discount
(f) NIPOCPC SC 28

Subpostmasters Pay

14. (a) Pay ReviewPC SP NC
(b) Pay Claim 1996PC SP/1996
(c) Unit CreditsPC SP 01
- Revision of Postage Stamp Unit Credit
(d) Intermittent AllowancesPC SP 02 03 NC
(e) Telephone AllowancesPC SP 02 06 NC

POCL CLIENTS

15. **Benefits Agency**CL BA

British Gas

16. British Gas QuantumCL BG 03 NC

British Telecom

17. BT Telephone Savings Stamps - 'Budget Card'CL BT 03

Electricity Boards

18. Multiple Transactions on APTs & ZipZap Machines CL EB

Foreign Exchange

19. Corporate Bureau de Change CL FX 03

Girobank

20. (a) NFSP/Girobank Meetings CL GB 01
(b) Products and Counter Services CL GB 08 NC

Insurance

21. (a) Travel Insurance CL IN 01
(b) General Insurance CL IN 02
- Sun Alliance

Local Authorities

22. Home Help/Care Stamps CL LA 01

Lotteries

23. (a) National Lottery CL LO 01
- Camelot Vouchers
- Instants
- Prize Payments

Motoring Organisations

24. AA CL MO 02 NC

National Savings

25. NFSP Meetings CL NS 01 NC

Personal Banking

26. Personal Financial Services CL PB
- Trial in North Wales & North West Region

Payment Collection Services

27. (a) Vodafone CL PC 04
(b) Secure Homes CL PC 05

Royal Mail

28. Priority Services CL RM 05 02 NC

Utilities

29. (a) Amerada Hess Gas Ltd/British Fuels/
Southern & Phillips Gas CL UT
(b) Total Gas CL UT 04

30. **Water Authorities** CL WA NC

Organisations

31. POUNC FM OO NC

32. **Conference Resolutions 1996**

96/2..... 1996 Pay Award
96/4..... Pay Review: referendum
96/11..... Pay Review: special conference
96/12..... Pay Review: consultation with Branches
96/13..... Pay Review: no reduction in remuneration
96/19..... Counter Automation: payment for pensions and allowances
96/21..... Introductory Payment phased over 5 years/Pay Review
96/23..... Introductory Payment, trading up/Pay Review
96/26..... Mailwork: address any shortfall in pay
96/27..... Mailwork: parity of pay for Community Offices

- 9628..... National Lottery: improved payment systems for prizes paid
- 96/29..... 364 day year/Pay Review
- 96/31..... Ad valorem pensions and allowances/Pay Review
- 96/33..... Interpretation of what constitutes training for new work
- 96/34..... Pricing policy for local authority schemes
- 96/RB2(2)M..... Telephone allowance/definition of controlling office/Pay Review
- 96/37..... Purchase of leasehold/freehold where franchise office nearby
..... makes unviable/Pay Review
- 96/RB4(P)..... Stress counselling
- 96/55..... Open plan offices
- 96/56..... Security screen parcel hatch door
- 96/57..... Interest free loans for external security improvements
- 96/60..... Provision of relief/s whilst Sub-Postmaster recovering from
..... trauma
- 96/70..... Acceptance of debit and credit cards for all transactions

A/4 SPARE HEADING

A/5 SUB-COMMITTEE REPORTS

A) PUBLICITY AND DEVELOPMENT COMMITTEE

The following reports refer: 12, 13 & 14 August 1996

1. REPORT OF PREVIOUS P & D MEETING

2-4 June 1996

2. FEDERATION ANNUAL CONFERENCE

Annual Conference 13-15 May 1996 - Eastbourne	FM AC 1996
Annual Conference 12-14 May 1997 - Llandudno	FM AC 1997
Annual Conference 11-13 May 1998 - Bournemouth	FM AC 1998
Annual Conference 10-12 May 1999 - N. Ireland	FM AC 1999
Annual Conference 2000	FM AC 2000

3. FEDERATION INTERNAL

- a) MEMBERSHIP STATISTICS FI MR 04
- b) RE-MANDATING EXERCISE PC HR 03

- | | |
|--|--------------------------|
| c) MEMBERSHIP SERVICES | FM MS |
| Contract of Employment Forms (also Res 95/88) | |
| Federation Ties - Centenary | |
| Legal Protection & Assistance | |
| Membership Cards | |
| NFSP Credit Card | |
| Members Bulletin | FM MS 03 |
| Recruitment | FM MS 03 |
|
d) BRANCH SECRETARY SEMINAR |
FM MS 04 |
| Keele 1997 | |
|
e) FEDERATION ORGANISATION | |
| Branch / Regional Organisation Rules | FM OG 04 |
|
f) FEDERATION PUBLICATIONS | |
| <i>"The Sub-Postmaster"</i> | FM PB 01 |
| Sub-Postmasters Handbook | FM PB 02 |
| Speakers Brief | FM PB 04 |
| Branch Secretaries Guide | FM PB 07 |
|
4. FEDERATION/PROMOTIONAL & PUBLICITY | |
|
a) Federation Centenary 1997 |
FM PP CENT 97 |
| Wakefield Weekend | |
| Other Events | |
|
b) Sub Post Office Exhibitions |
FM PP 01 |
| Edinburgh 12-13 October 1996 | |
| Birmingham 11-12 October 1997 | |
|
c) Charity Fund - Children in Hospital |
FM PP 03 |
| Charity Fund - Macmillan Nurses | FM PP 03 |
|
5. FEDERATION PUBLIC RELATIONS | |
| Tim Cobb | FM PR 01 |
|
6. CONFERENCE RESOLUTIONS 1996 | |
| Subscription Review | 96/86 |
| Advertising Space System | 96/89 |
| Support for Branch Secretaries | 96/90 |
| Purpose and Format of Annual Conference | 96/94/95 |
| Sub Postmasters Internal Prize Draw | 96/96 |

CONFERENCE RESOLUTIONS (Previous)

Access to Legal Services	95/85
Access to Legal Services	95/86
Guidelines for Employing Staff (See FM MS 02)	95/88

Future Dates and Venues of EC Meetings

Jan 1997	Sunday 5 - Tuesday 7 January 1997	Malvern
March 1997	Sunday 16 - Wednesday 19 March 1997	Malvern
June 1997	Monday 16 - Wednesday 18 June 1997	Malvern
Oct 1997	Monday 20 - Wednesday 22 October 1997	Malvern

B) FEDERATION TRUSTEES REPORT

C) BOARD OF BENEVOLENCE REPORT

A/6 SPECIAL MATTERS

A) MEMBERSHIP

- (i) New Membership Computer FI MR 01
- (ii) Membership Subscription Forms FI MR 05
- (iii) Propaganda Reports FM OG 05

B) FINANCE

- (i) Treasurer's Report FI AC 02
- (ii) Annual Conference Costs 1992-1996 FI AC
- (iii) Outstanding Audited Branch Accounts FI AC 02
- (iv) Composite Branch Return to the Certification Officer 1995 FI CO 03
- (v) Disbanding of District Committees FM OG 04 *
- (vi) Regional Council Union Facilities FM OG 05 *

C) JOURNAL

- (i) Editor's Report FM PB 01

D) TRADING

- (i) Eagle Star Scheme FI ES

A/7 CONFERENCE RESOLUTIONS PRIOR 1996

95/55 & 75Operating Procedures
95/61Helplines

A/8 CONFERENCE RESOLUTIONS 1996

96/30Community Offices
96/41Statutory Holidays
96/43NFSP Service Level Agreement
96/46Sub Post Office Relief Personnel
96/51Payment Days
96/53Electronic Scales
96/62 & 74Disposal of Obsolete Stock
96/63 & 78Operating Procedures
96/ 65 & 66Market Research
96/67Name Badges
96/71Advertising
96/72POPOS
96/75Sensitive Waste
96/77Alliance & Leicester
96/79 & 80National Savings
96/81Royal Mail Products
96/82Royal Mail Products
96/83Standardisation of Certificates of Insurance and
Temporary Cover Notes

A/9 MOTIONS TO THE EXECUTIVE COUNCIL

Irrelevant

A/10 DEPARTMENTAL CORRESPONDENCE

(A) FOR DISCUSSION

POST OFFICE COUNTERS LIMITED

Network

1. (a) Cash AccountsPC NW 08 01
 - Re-Design of the P884MA "Inward Remittance Advice"
 - 1997/98 Cash Account Design

Subpostmasters Contract

2. (a) Christmas and New Year Arrangements 1996/97PC SC 05 01
- (b) Royal Mail Industrial ActionPC SC 23

Subpostmasters Pay

3. (a) Review of the "IDEAS" schemePC SP
- (b) P271PC SP 05 01 *

POCL CLIENTS

BBC

4. (a) Television LicencesCL BC 03
 - BBC Cash Easy Entry Automated Scheme
 - Proposed New Procedure for Blind Concessions

British Gas

5. (a) Bar-Coded Transcash BillsCL BG 02

Girobank

6. (a) IDEAS SchemeCL GB 08 12

Lotteries

7. (a) Littlewoods CL LO 02
 - Operational Changes *
 - Retail Side, Roll-Out

Royal Mail

8. (a) Stamps CL RM 05 05
 - Special Stamp Issues *
 - Christmas 1996 Special Stamp Issue
 - Send a Cake Promotion

A/10 (B) FOR INFORMATION

Commercial

1. (a) Market Research PC CM 02

Human Resources

2. (a) Behaviour Standards PC HR

Network

3. (a) Counter Automation - BA/POCL PC NW 06 01
 - Research : Foreign/holiday benefit encashments *
 - Talking Shop Audio Cassette
 (b) Cash Accounts PC NW 08 01
 - Table 2 : Unclaimed payments *
 - Cash Account Dates 1997/98
 (c) Funding of SPSOs PC NW 09 03

Quality

4. (a) Customer First PC QY 01
 (b) Christmas Card re-cycling scheme PC QY 03

POCL CLIENTS

Benefits Agency

5. (a) Pension and Allowance Books / Green Girocheques CL BA 03

BBC

6. (a) BBC Cash Easy Entry Scheme CL BC 03

Foreign Exchange

7. (a) UNICEF - Donation of (customers') surplus
foreign coin CL FX 01

Girobank

8. (a) Girobank Error Notices CL GB 05
(b) Woolwich Will Writing Services CL GB 08 01
(c) Deposit Information Monitoring Exercise CL GB 08 07

Lotteries

9. (a) Lottery Products - Point of Sale CL LO 01

Mercury Communications

10. (a) Mercury 0-2- Automated Scheme CL MC 02

Royal Mail

11. (a) Royal Mail Retail Sales CL RM 05 05
- Special Stamp Issues / Philatelic Products

A/11 REPORT ON CENTRAL APPEALS

A/12 GENERAL SECRETARY'S REPORT

Applications for financial assistance:-

GRO

Cluster Groups

Discussion on the Future Structure/Strategy of the
National Federation of Sub-Postmasters.

A/13 EXECUTIVE OFFICER'S REPORTS

A/14 MATTERS RECEIVED TOO LATE FOR INCLUSION ON AGENDA

A/15 ANY OTHER BUSINESS

REPORT OF A MEETING OF THE EXECUTIVE COUNCIL
held on 21st, 22nd, 23rd OCTOBER 1996
at the ABBEY HOTEL, MALVERN

Present Mr. J. E. M. Burford, National President and Chairman

Mr. I. Abernethy	Mr. R. Edmondson
Mr. H. Atkins	Mr. B. G. Ingham
Mr. N. Bradbrook	Mr. J. Jannetta
Mr. J. Brennan	Mr. H. M. Jones
Mr. D. T. Broadwith	Mrs. J. G. Kendall
Mr. A. M. Burrows	Mr. D. F. Marshall
Mr. A. R. Butlin	Miss E. O. Parcell
Mr. M. Challinor	Mr. J. Peberdy
Mr. M. Darvill	

<i>In Attendance:</i>	Mr. C. Baker	General Secretary
	Mr. K. Davis	Assistant General Secretary
	Mr. P. Heasman	Assistant General Secretary

Apologies: Miss C. A. Lindon

Irrelevant

A/1 REPORT AND RESOLUTIONS OF THE
EXECUTIVE COUNCIL held on 17th, 18th, 19th JUNE 1996
SPECIAL EXECUTIVE COUNCIL held on 2nd AUGUST 1996
SPECIAL EXECUTIVE COUNCIL held on 1st OCTOBER 1996

The reports of the above meetings were approved as circulated.

DECISION

A/2 MATTERS ARISING FROM THE REPORTS

There were no matters arising.

A/3 REPORT OF THE NEGOTIATING COMMITTEE

REPORT OF MR. BURROWS, Chairman of the Negotiating Committee: The reports of Negotiating Committee meetings held on 13th June, 15th July, 19th July, 8/9th August, 29th August 1996 had been circulated and were accepted.

DECISION

1 POST OFFICE BOARD - PO BD

Nothing to report.

2 GOVERNMENT REVIEW - PO PZ
- THE POST OFFICE INQUIRY - TRADE & INDUSTRY COMMITTEE

The Select Committee on Trade and Industry met on Wednesday, 16th October to take oral evidence. The inquiry was a victim of the electoral cycle and was no more than a charade of an inquiry. There was very little interest from the Select Committee itself, there being only three in attendance at any one time and questions were limited to the conversion of Crown Offices and the EFL. The difficulty surrounding the potential loss of monopoly was touched upon but there was no great conviction in the questions asked, nor the replies received. The whole inquiry had the hallmarks of one that had to be done because it was time for it to be done but everyone participating in the inquiry had no illusions about whether the recommendations made by the Committee would be acted upon. POUNC and The Post Office were questioned on Sub-Postmasters' remuneration. POUNC' view was that whilst there were a number of small post offices closing, the payment system gave the smaller offices more money pro-rate and, therefore, everything in the garden was rosy. When the Post Office was questioned John Roberts merely advised the Committee as to the arguments of the Federation whilst negotiations continued. The Committee appeared to accept the response, doing no more than going through the motions. The Federation had been thanked for the memorandum. The GENERAL SECRETARY and Research Officer were thanked for the report of the oral evidence which had been circulated.

Irrelevant

3(a) POST OFFICE COUNTERS BOARD - PO PC 02

There had been little change to the Post Office Counters Board since the appointment of Stuart Sweetman, Managing Director, although there had been some re-arranging of positions lower than Board level which would be reported upon later. The vacancy for the position of Regional General Manager in the North Wales and North West Region still remained and John Main, the current Regional General Manager in the Midlands had taken responsibility for the North Wales & North West Region in the interim period. It was understood two internal candidates had applied for the position.

Irrelevant

Irrelevant

Irrelevant

7 TRAINING FOR SUBPOSTMASTERS - PC HR 04

There was no progress report available on Sub-Postmasters' training. The subject had been repeatedly discussed with the Business, who freely admitted it was an area in which they were lacking. In order to resolve the issue of Sub-Postmasters' training the matter would continue to be pursued in the strategic and pay meetings with the Post Office.

MR. BURROWS placed on record his thanks to Mr. Atkins for his input and efforts at the Training QIP.

MR. ATKINS reported that in his Region the Post Office had a budget to provide facilities for a two week classroom style training for Sub-Postmasters.

MR. JONES advised no budget existed in the North West, also Roadshows had been stopped.

MR. BURROWS stated the Post Office intended to hold five transactional seminars in Ipswich but no budget existed for basic training of Sub-Postmasters.

Irrelevant

Irrelevant

9(b) COUNTER AUTOMATION - BA/POCL - PC NW 06 01

The letter from the General Secretary dated 25th September gave further information on the initial Go-Live of the counter automation project. The project was now well under way and following the successful line cleaning exercise at Leonard Stanley Post Office, the other nine post offices in Gloucester would be going live as well as the offices listed in the circulation on 25th September 1996. Confirmation of the liaison with Pathway and Post Office Counters had been received from Paul Rich on 4th September 1996. The main question now from Sub-Postmasters was how their pay would be affected. Clearly that had not been discussed with the Post Office as the contractual relationships between Pathway, Benefits Agency and Post Office Counters had yet to be totally completed. The Federation was building up intelligence in readiness for the negotiations.

THE GENERAL SECRETARY reported on his attendance at the official launch at Leonard Stanley Post Office on 21st October 1996. The launch had been fairly low key even though The Rt. Hon. Peter Lilley MP, Secretary of State, had attended in conjunction with Peter Mathieson, Chief Executive of Benefits Agency, John Bennett, Managing Director of Pathway and Stuart Sweetman of Post Office Counters. Peter Lilley had spoken on the PFI and fraud aspects; John Bennett told of their role and expected 890 million transactions to be conducted in the first year. The Sub-Postmistress at Leonard Stanley was delighted with the new system which was working well. It was hoped the Government would approve every item of new business for the Post Office. It was anticipated the Post Office and Federation would issue a joint letter informing Branch Secretaries and members in order to allay fears regarding the future, particularly pay. The Counters Business had agreed members should be advised about matters yet to be negotiated, for example, pay.

MR. DARVILL referred to the request six weeks previously to arrange for six Sub-Postmasters to be available for consultation regarding automation with the Benefits Agency, but no discussions had taken place. THE GENERAL SECRETARY explained Mr. A. Stott had initially sought the meeting but had since been transferred, replaced by Mr. P. Crahan and hoped the meeting would take place.

MR. BURROWS commented that if multiple payments for transactions had to be made it would not be in the interest of Sub-Postmasters, nor ICL. When information was downloaded the transactions would be separated for accounting purposes at Chesterfield. In order to protect Sub-Postmasters it would be necessary to ensure the right multiplier for the number of payments was employed. Preliminary work and research was being undertaken in readiness for the negotiations. Assurance had been received that the PFI would pay for the system and any reduction could be referred to the Government.

MR. BRADBROOK advised that Shepway had discontinued the use of rent vouchers, with Haringay, Woolwich and Greenwich Councils considering following suit. London Sub-Postmasters undertook 600 to 700 Council rents per week and their income would be cut. He expressed concern that family allowance and income support would be combined on one card.

MR. BURROWS had no intention of Sub-Postmasters taking a cut in salary. 25% of Benefits Agency staff had been made redundant because of automation. £150 million would be saved per year in fraud. If it was not for the card, payment of benefits would have ceased at the post office and 75% of Sub-Postmasters would have lost their businesses. He had an ambition for the payment of abortive transactions as every transaction on automation would be listed. MR. BURROWS was aware some payment would have to be re-negotiated. He suggested being positive to Sub-Postmasters, not negative.

MR. BROADWITH felt it was important that at the on-line trial offices Sub-Postmasters identified the transactions carried out as well as the Post Office in order to check they were paid at the appropriate rate. Problems had been encountered with the electric supply at some offices. Pathway was willing to be responsible for the

rectification of a faulty system in respect of its equipment but Sub-Postmasters would be responsible for the cost of remedying the rest of the electrical wiring in their offices. MR. DARVILL stated it was incumbent upon Sub-Postmasters to maintain their property in a fit condition and Sub-Postmasters should not allow their electricians to get into a dangerous state and then expect the Post Office to be responsible for the cost. He suggested an item be published in *The SubPostmaster* journal warning people that their electrical systems should be up to standard as the Benefits Agency and automation would not pay for re-wiring of premises. MR. BURROWS drew attention to the policy of the Executive Council that electricity up to the tails was the responsibility of the owner of the business.

MR. MARSHALL understood Pathway and the Post Office had negotiated a payment on every transaction through the automated machine and felt it was now time the Federation discussed the payment to Sub-Postmasters.

MR. ABERNETHY advised that when automation had been introduced in Southern Ireland Sub-Postmasters had not experienced a reduction in their payments. Following enquiries he later advised the meeting that the unit system was still maintained, old age pensions were 2.7 units per transaction; Savings Bank work could be conducted through the computer; Social Security was downloaded every week.

It was reported from several Regions that following visits to Branches and exhibitions Pathway was creating unease amongst members regarding pay. MR. BURROWS advised negotiations had not commenced because of the need to ascertain contractual relationships between POCL and Pathway. In his view if Pathway was paid by the Benefits Agency or the Post Office for an abortive transaction, so should Sub-Postmasters. He understood that Pathway would be paid for every transaction. He accepted Sub-Postmasters were concerned about pay and wanted negotiations to commence.

9(c) COUNTER AUTOMATION - APT/BAR-CODING - PCNW 06 01

The situation reported at the June Executive Council meeting remained unchanged. As yet Post Office Counters Ltd had not approached the Federation regarding a reduction in the payment for the acceptance of utility bills and the Federation had not volunteered it. Indeed, it was Federation policy to pursue a claim for an increase in the whole of the bill payment area, the existing payments having been fixed as an interim payment some while ago. The position would be carefully watched.

MR. BUTLIN enquired if the Counters Business intended purchasing more APT machines as conflicting reports were being received. APT machines had been removed as surplus to requirement for the North East. MR. BURROWS stated originally the Post Office had intended to purchase more APT machines but it was now understood the Post Office was trying to identify offices which either had too many or unused machines and re-locate the machines where they would be utilised.

ACTION

MR. BUTLIN reported the South West Water smart card trial could not use a ZipZap machine, yet the trial was in an area with a few APTS. It had proved impossible to get a logical answer. MR. BURROWS stated a check would be made to ensure sufficient APT machines were available before Christmas for the trial. MR. JONES reported a similar problem in the North West and North Wales for which Sub-Postmasters would receive the Giro payment.

MR. BURROWS expressed concern that the bills being bar-coded may qualify for an APT payment, whereas the current payment for Pivot 7 was 20p. Bar-coding also took longer.

9(d) COUNTER AUTOMATION - ALPS - PC NW 06 07
- REIMBURSEMENT OF ELECTRICITY COSTS

MR. BURROWS referred to the letter from Mr. Darvill seeking a retrospective payment of £106 per terminal for 52 weeks since the scheme started two years ago. It was noted that Mr. Darvill wished to adopt Mr. Sheehan's motion circulated under A/9 of the Agenda as follows:

"This Executive Council instructs the Negotiating Committee to seek to obtain an annual goodwill payment for the Subpostmasters currently operating the ALPS system in the London Region."

With regard to the electronic stop notice system, MR. DARVILL stated the bar-coding used in London was not simple to operate and frustrated members because it took longer to complete a transaction. Bar-codes had been lifted from pension books and transferred to other books. The DSS had used smaller eyelets but thieves replaced them with standard size eyelets and it was difficult to detect the difference. Differing instructions for recall notices issued by the DSS were upsetting customers. There were 400 APT machines in London. Hackney Council used plastic cards which could not be used in banks, so Sub-Postmasters were benefiting from the business. Software was not being activated. Sub-Postmasters were only asking for the payment of their electricity costs because the DSS had saved over £64 million in the first year. He suggested activating APT on keyboards. He understood London would be the last area to be automated and believed CashStop would start in London, Birmingham and Manchester.

MR. BURROWS stated CashStop would not start in London because Sub-Postmasters had APT machines. The ALPS system had been successfully introduced as a stop gap for the purpose of reducing Benefits Agency fraud and to enable Sub-Postmasters to retain the business. He paid tribute to the London Sub-Postmasters for their efforts in reducing fraud and their co-operation with the ALPS equipment. It would be difficult to identify the cost of running an ALPS system and substantiate a claim, particularly when trying to maintain the work. The APT machines had been introduced as a means of co-operation to retain the Benefits Agency work. It was frustrating that the APT and ALPS systems had not been joined together.

MR. BRADBROOK stated it cost £105.62 per year to operate an ALPS machine on the counter. London Sub-Postmasters were seeking a one-off payment.

MR. BROADWITH suggested timing the ALPS transaction, which, if longer, could increase the queuing times.

MR. CHALLINOR drew attention to the excessive heat generated by the computers which necessitated the installation of air-conditioning.

ACTION

MR. DARVILL AMENDED THE MOTION AND PROPOSED that the Executive Council seek to obtain a goodwill payment for the Sub-Postmasters currently operating the ALPS system in the London Region. SECONDED by Mr. Bradbrook. AGREED by the EXECUTIVE COUNCIL.

DECISION
ACTION

9(e) COUNTER AUTOMATION - MONDEX TRIAL - PC NW 06 08

There was nothing to report since the June Executive Council meeting. There would appear to be nothing for the Negotiating Committee to involve itself with the trial and it was suggested that the matter be discharged from the agenda of the Negotiating Committee to be brought back should the need arise.

MR. BUTLIN advised the trial had been extremely successful with a 25% take up. He suggested investigating the Mondex trial prior to discharge from the agenda.

ACTION

MR. CHALLINOR understood the trial would be extended by the banks.

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

15 BENEFITS AGENCY - CL BA

Concern had been expressed in July regarding the press reports of the Benefits Agency seeking private partners to administer Child Benefit. Recently the *Sunday Telegraph* had resurrected the story but Sub-Postmasters should be assured there was no cause for anxiety..

THE GENERAL SECRETARY stressed the Benefits Agency had entered into an eight year contract with Post Office Counters which carried severe penalties if cancelled. It would not be possible to use the payment card in "hole in the wall" and automatic telling machines. Close contact with maintained with the Secretary of State for Social Services and his Department.

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Legal Protection & Assistance

MR HEASMAN detailed the presentation given to the P&D by Mr Peter Abraham of Management Advisory (Personnel and Incentive Services) Ltd (as contained in the circulation of 18 October 1996, reference Con Res 95/85 86 & 88). He illustrated the provisions on a flipchart as follows:

LEGAL ADVICE

- 1) 24-hour legal advice line costing £1.50 per member (+ VAT)
- 2) Free on request by member
- 3) Fully accountable
- 4) Federation Helpline with separate number (0990)
Number could be retained even if Helpline provider changed.
- 5) Deposit and 12 monthly payments

COSTS

16,000 members = £37,424. £25,600 + VAT = £30,080 payable in 4 instalments of £7,520 and one-off initial cost of £7,850 + VAT.

VOLUNTARY OPTIONAL EXTRAS FOR £25 PER MEMBER

Contract of employment master form and advice to guide on contract, terms and conditions, advice and changes in law.

24-hour counselling Helpline.

For each fee paid, £6 to be returned to the Federation.

For an additional £4.75 + VAT per member of staff, the Sub-Postmaster can provide each member of staff with a bespoke contract who will also have access to the counselling Helpline.

ADDITIONAL LEGAL ASSISTANCE COVER PER MEMBER

Approximately £85 + VAT for first year to cover legal fees up to £50,000.

MR BRENNAN illustrated the advantage of the cover by citing the instance of a Sub-Postmasters selling a winning scratchcard to second, instead of first, customer at his counter, and being sued by the first. MR EDMONDSON, as Treasurer, advised he might have to revise his forecast on a subscription increase.

MR ATKINS proposed accepting the P&D recommendation regarding legal advice services, and for the return of the £6 to the Federation when members opted for the voluntary extra at £25. MR ABERNETHY seconded the proposal. A vote was taken and the Executive Council declared IN FAVOUR.

DECISION

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Future Dates and Venues of EC Meetings

Jan 1997	Sunday 5 - Tuesday 7 January 1997	Malvern
March 1997	Sunday 16 - Wednesday 19 March 1997	Malvern
June 1997	Monday 16 - Wednesday 18 June 1997	Malvern
Oct 1997	Monday 20 - Wednesday 22 October 1997	Malvern

The Report of the Publicity & Development Committee was approved.

DECISION

B) FEDERATION TRUSTEES REPORT

MR ABERNETHY advised that the Federation Trustees had met on Sunday 20th October 1996 when it was reported that the problems of screens freezing on the new computer system continued to tax the expertise of ICL who were devoting a great deal of resource to identifying the cause. The difficulty was that the fault was both intermittent and unpredictable. However, it was not preventing the system being used fully by numerous members of the HQ staff, the problem being only very minor and more of a nuisance than anything else. The software for the membership system provided by Miller Technology was working very well. The provision of membership data on disc by Post Office Counters was being discussed, their opening offer was for the Federation to pay £5,000 for the initial programming and then £50 per month for updating and this would be the subject of further negotiations.

The Treasurer had advised the Trustees of his intention to recommend to the Executive Council that, for the future, half-year account would be produced to replace the Statement of Receipts and Payments as these would be more meaningful and could be produced at no additional cost. The Trustees had agreed to the introduction of an "*Itemised Business Tariff*" for bank charges to replaced the "*Entry Charging*" method. This would enable the Federation to exercise greater control over what it paid in bank charges. The Alliance & Leicester was to change its status and, as a result, members of A&L would receive a conversion bonus. However, this could not be paid to organisations, such as the Federation. In consultation with solicitors it was decided that MR ABERNETHY, as Chairman of the Trustees, was to be the nominated member in order to reap the benefits of the expect bonus. Another matter recently regularised was the legal ownership of Evelyn House - again, with solicitors' advice a Trust Deed had been completed which names MR ABERNETHY, as Chairman, as "*Bare Trustee*" (a legal term) as the legal owner of the property.

The Trustees had reviewed the Federation's portfolio, together with the advice of the broker, Mr Eason, who had recommended selling Burmah Castrol and half the holdings in IMI and using the proceeds to building up the investment in British Steel and purchase 2 new holdings: National Westminster and Commercial Union Insurance. The broker's advice had been accepted. The Trustees had agreed to the "*bed and Breakfast*" arrangements for the chargeable gains from those transactions in order to minimise potential Corporation Tax liabilities on disposal during the year.

It was MR ABERNETHY's sad duty to say goodbye to Harry Atkins, his fellow Trustee and dear friend. He greatly appreciated and highly valued the advice and support he had received from him over the period he had been Chairman and wished to

place on record his personal thanks and that of his fellow Trustees, both past and present. Mr Atkins would be sorely missed. *(NB as noted at the beginning of this Report, Miss Kit Lindon was elected to replace Mr Atkins as a Federation Trustee).*

The Report of the Federation Trustees was accepted.

DECISION

Irrelevant

Irrelevant

B) FINANCE

(i) *Treasurer's Report*

FIAC 02

MR EDMONDSON drew attention to his circulated report, also to the Statement of Accounts for the period 1 January - 30 September 1996, together with Philip Bloor's appended notes. As stated at the June EC Meeting, he questioned the value of the Statement and comparison of income and expenditure during the current compared to the previous year as so much depended on when accounts were received or settled. He therefore proposed the Statements being replaced by the provision of Management Accounts with Balance Sheet for the half-year ending 30 June, ie, half-yearly accounts as adopted by most large businesses. These would have more meaning and they would show the true position at 30 June and provide the opportunity to forecast the second half of the year and take any preventive or corrective measures found necessary.

Following the announcement at Conference that any Branch which straddled boundaries and incurred extra expense could submit a claim, he has received only one such claim, from the Bristol Branch, which he believed reasonable and justified. He was, therefore, arranging payment.

As reported earlier at the Meeting, he had hoped to delay any increase in subscriptions until 1998 but, with the spend that was forthcoming on membership items, he would be looking closely at the accounts with the Finance Manager and General Secretary. He anticipated a strong possibility that he might have to recommend an increase in 1997, incorporating in it the recommendations of the P&D Committee.

He was pleased to say investments were performing well and thanked the Trustees for the prompt and efficient way they acted on the recommendations of the broker. He also thanked Officers for their efforts in keeping their expenses under control. He advised he would be away on leave from 1-11 November.

The Treasurer's Report was accepted.

DECISION

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

NFSP TRADING LTD

Irrelevant

At the Sub Post Office Exhibition in Edinburgh 3 new products had been launched. Discussions had been held with Tplc (Technology plc), a subsidiary of ICL, and was a logistic company in electronic products. That company was due to open a new warehouse in the Spring of 1997 when 60,000 products would be available. They were to produce a catalogue of NFSP business services, items would mainly be in the computer field. It had been hoped to have the catalogue available at Edinburgh but there had been difficulties in print production.

Irrelevant

Irrelevant

The NFSP Trading Company Report was ACCEPTED.

DECISION

A/13 EXECUTIVE OFFICER'S REPORTS

There were no Reports.

A/14 MATTERS RECEIVED TOO LATE FOR INCLUSION ON AGENDA

There were no matters.

A/15 ANY OTHER BUSINESS

Irrelevant

ELAINE AUSTIN
GILL PAYNE

GRO

