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NATIONAL FEDERATION OF SUBPOSTMASTERS

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

held on

21 - 23 June 2004

at

**THE GRIMSTOCK COUNTRY HOUSE HOTEL
WARWICKSHIRE**

Report of a Meeting of the National Executive Council

held on Monday, 21 June - Wednesday 23 June 2004
at the Grimstock Country House Hotel, Warwickshire

Those present:	Mr Cyril Jones	National President and Chairman
	Mr Mark Baker	Mrs Kam Matharu
	Mrs Irene Bethell	Mr David Milner
	Mr Alan Butlin	Mr John Morris
	Mr Mike Darvill	Mr John Peberdy
	Mr Norman Ferguson	Mrs Sally Reeves
	Mr Phil Howorth	Mr Geoff Simpson
	Mrs Trish Jenkins	Mr George Thomson
	Mr Mervyn Jones	Mr John Willshaw
In attendance	Mr Colin Baker	General Secretary
	Mr Kevin Davis	Senior Assistant General Secretary
	Mrs Marilyn Stoddart	Assistant General Secretary

THE PRESIDENT welcomed everyone to the first major Executive Council meeting of the year, and specifically welcomed the new Executive Officers. He then outlined his vision that the meetings should be to discuss the future of the organisation, not to look back at the past. For the benefit of the new Executive Officers, THE PRESIDENT outlined the way the meetings are set up and run according to Standing Orders, and suggested that they should actually read the booklet to get a better understanding of some of the formalities.

THE PRESIDENT informed the meeting that David Miller and Kevin Gilliland of Post Office Limited would be coming along to talk, and that this was a very important day for the history of the Federation. It was crucial that everyone treat the occasion a positive move, and not attempt to 'score points'.

The discussion was to be strictly to Chatham House rules, and that nothing mentioned should be repeated in ANY form outside of the room. Any breach of this agreement would damage our credibility, and potentially prevent discussions at such an honest level in the future.

A/1 REPORTS AND RESOLUTIONS

The Minutes of the Executive Council meeting of 14, 15, 16 and 17 March 2004 were signed as a true record.

DECISION

The Resolutions passed at the Executive Council meeting of 14, 15, 16 and 17 March 2004 were signed as a true record.

DECISION

The Minutes of the Executive Council meeting of 9 May 2004 were signed as a true record.

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DECISION

A/2 MATTERS ARISING FROM THE REPORTS

There were no matters arising.

A/3 REPORT OF THE NEGOTIATING COMMITTEE

1. Future of the Post Office

PO PZ

(a) e-Government Services

PO PZ 02

THE GENERAL SECRETARY laid out the background for the benefit of new Executive Council members, and went on to report that the Federation has spent £30,000 so far in legal fees and his time. BT had invested £2.5 million. As we were turned down for funding from the Office of the e-Envoy, BT would be selecting the 50 trial sites where they considered they would be most commercially viable. However, in consultation with Multimedia, the Federation have actually chosen 32 of the 50 sites. A document is being prepared for presentation to the Office of the e-Envoy to explain the project and assist in acquiring funding in the future. Once it is up and running we will be approaching Local Authorities and commercial concerns to use the kiosk. It is planned to hold a launch event at, say, the Space Centre in Leicester and invite them along to see the equipment. The commercial element of the kiosk will make it sustainable. The branding will be SubPostmaster Community Connect, however the design of the branding is still being worked on.

ACTION

MR THOMSON asked how long it would be until it rolled out nationally as members were under pressure from e-Daily. THE GENERAL SECRETARY reported that the kiosk may not generate any income during the pilot. At the moment it was not known what will be paid. e-Daily are unlikely to survive, and payments are not made as promised. Advice to anyone considering e-Daily is be very careful not to sign a contract without considering the conditions carefully, and do not expect to get any money.

MR PEBERDY pointed out that there was a possibility that SubPostmasters signing a contract could be liable for the leasing costs of the equipment even if e-Daily pull out.

MR MORRIS asked if the up to date information regarding the trial could be put in the SubPostmaster journal so all members were aware of the current situation.

THE GENERAL SECRETARY reported that the issue hinged on the Office of the e-Envoy, and that once we had their agreement we could publish anything we liked. If trial is successful the nationwide roll out would commence before the 6 months. First roll out would include the Executive Officers. Trying to attract Local Authorities, and other parties. We should not blame BT for trying to strip down the costs.

MR DARVILL saw this as an opportunity to put a BT Open Zone into every post office in the country.

THE GENERAL SECRETARY reported that for the trial, BT wanted the NFSP to pay the £18,000 that the Office of the e-Envoy declined to pay to get the trial up and running. We declined, as we were supplying the outlets. BT have agreed to pay it all. The next stage will be for 'twigs' on the machines to allow access wirelessly within 20 metres.

MR FERGUSON was disappointed that the trial was not taking place as originally planned, and felt that BT now had control of the project.

THE GENERAL SECRETARY responded that it was not ideal, however until now our only costs had been his time and around £30,000 for legal costs. BT had a whole team on the case. They have 2 people going to every post office to ensure it is capable of hosting a kiosk. They will install an IDSL line where required, provide the equipment free of charge, and undertake negotiations with major companies. BT will also provide a call centre 24 hours per day. We are negotiating with the Office of the e-Envoy and the Local Authorities. Multimedia are providing the TV screens and getting the local advertising. He was confused as to how this could be viewed as not in favour of the NFSP.

He also pointed out that if we paid the £18,000 we could do what we wanted, however his judgement was to allow BT to fund the trial at no cost to the NFSP.

MR MARK BAKER reported that Local Authorities had funds available and may have been able to contribute to the trial, in turn possibly attracting funding from the Office of the e-Envoy.

THE GENERAL SECRETARY reported that a document was currently being prepared to be sent to all Local Authorities. He needed to allay the myth that Your Guide was a success - it cost £75 million for 6 months and made no money at all. Any solution had to be commercially viable. If this trial did not work, what would we do with the 50 machines? - as it now stands, BT will

take them back. If we told BT the only way was our way, they would have told us to find another partner. BT are carrying all the risk.

MR THOMPSON reported that he had grave doubts as to whether the proposed system would ever come to fruition and be successful. He wanted to spend his time and effort in projects that will bring in money.

MR PEBERDY reported that Leicestershire Council will almost certainly want to support the project. Your Guide was never set up to be commercially viable.

MR MARK BAKER requested clarification on who would be selecting the offices in the trial area.

THE GENERAL SECRETARY reported that the NFSP would be choosing 32 of the 50 trial offices in the area, with BT choosing 18. Most of the Leicestershire Committee would have one. The whole project if rolled out will cost around £125 million.

Irrelevant

Irrelevant

Irrelevant

ACTION

ACTION

Irrelevant

A presentation was made by Dave Miller and Kevin Gilliland of Post Office Limited. As this was held under Chatham House rules there is no record of either the presentation or discussions within that session.

There followed a full, frank debate on the subjects raised.

MR THOMSON reported that he was finding it difficult to get new SubPostmasters to join the Federation. Long term/medium term the Federation as it was would not last much more than 5 years. We needed to look at where we are going and restructure for the cost base. Part of the Executive Council are all for us taking over and running Post Office Limited. Others would support that if the Federation remained as an entity. For the future, one way to look at getting 100% membership is if we could identify one of the functions and take it over, for example the provision of stores. We would not get our stores from Swindon. If we could take over the function and charge a fee for providing them, we could end up with 100% membership.

As an organisation we needed to restructure. We had been marked as a trade union. He saw himself as a businessman, in it to make money. He believed things would make people stay in the business. They were making a good living and could get it back. We had to put considerable efforts into making sure that members without a future get out of the door with their dignity intact.

MRS REEVES was interested to hear what Post Office Limited had to say and believed they had come to us for help. She felt we should have two objectives; one being to look at how we help them get the business back into profit and deliver their business plan, in exchange for channelling some profit back to our members. We should talk about buying the business, but that would be a longer term issue.

We needed to work with the Business and not be perceived as a hindrance. This may mean an educational programme for our members, going out and explaining it all to the members, explaining the implications of the business plan on the individual SubPostmasters' businesses. We had a huge role to play in the immediate future.

MR DARVILL felt that there were people in many offices as a second career, who used to be in the Army or similar jobs, and had then bought their post office. He felt we had too many members who are on the wrong side of 50 (including himself!) and need to get back to a stage where we were respected in the High Street. The situation had got worse lately. We need to get back some of the respect we are lacking. Many of the other things will then fall into place. We need younger people in the business rather than those on a second career. He did not feel that the size of our organisation would allow taking over the Post Office. If we did, many SubPostmasters would be looking for a new job as we would have to get rid of many offices.

MR MARK BAKER, after looking at the ramifications of taking over the company, felt it was a medium to long term avenue we should open up as soon as possible. We should form a task force to undertake a feasibility study. Problems need dealing with now. We have no guarantees that help will be forthcoming. He felt we have been treated badly in recent times which did nothing for their desire to be co-operative with the business. Members could not see work drifting away quickly enough to understand how much trouble they are in. ACT is behind programme, but will be finalised by next year. We need to teach members to earn money a different way. They need a different mentality to the big stick. They need to stop treating us unfairly in disciplinary and security matters. If they want to help us develop a programme, they need to look at some corporate projects, save money, and put the cash into PRAG to allow it to go ahead and to engage in talks on new products. He felt we needed to hear more.

MR BUTLIN thought they were going to talk about PRAG, and pointed out that no one asked them about it when it should have been asked. He said they were reluctant to meet prior to the Executive Council meeting, and the letter we have not received has gone to the Board. Many years ago we looked at the possibility of a buy out. We went to the City and discussed the matter with merchant banks. They thought it was hilarious - and wanted to know why would anyone want to buy into a business that had no money, loads of debt and no future contracts. They were very unimpressed.

It would be worth looking at the costs of some of the services that the business pay for. It is essential that it is done. The NFSP have nothing to lose by looking at these things, and may be able to make substantial savings. On cash delivery, maybe members could go to the banks.

The Federation could not exist too long at it existed now, and it was not moving fast enough. He felt more meetings should be like this. He felt Dave Mills did not need a network. He could have leaflets in garages, shops, etc. He did not feel that Dave Miller went far enough. He suggested we investigate the cost of the services we get. If we took over the business, we would end up negotiating with ourselves which would prove suicide.

MR MERVYN JONES said that it was over 20 years since his first conference and Post Office Limited talked about trust and how important it was. 20 years on and he was hearing the same message again. Talking about partnerships. He felt he did not doubt Dave Miller's sincerity, but he did doubt Gordon Steele's and others wish to work with the Federation long term. Short term it would be a necessity. He saw we had no choice.

He was interested in the self-regulation aspects to encourage our people to deliver a service of quality, and felt we should be encouraging people to deliver on behalf of the business and themselves. He felt strongly that a better retail line would help produce successful SubPostmasters. We could help each other through networking sessions and develop the profitable side of their business.

We should have a symbol group of our own to run in conjunction with Post Office amalgamating the two concepts that are working on the ground at the moment and feed it to everyone. He felt Dave Miller was adamant that a management buy out is on the cards for the future and did not think we should let that happen without our involvement, and that we must work with them. We needed to set ourselves up to be in a position when the time is right and the business turns the corner so we will have a much reduced network, but a profitable network with people making decent money. It is important that we are ready to go ahead and act at that time. We may need to move in association with the management or independently to buy the business.

Short term he was for a partnership with them. Long term he agreed with Mr Mark Baker that a working party should be set up with a view to investigating the possibility and to keep an eye on the situation. He was not sure exactly how this would work. We would need to look at what we need to do to deliver in 4 years time. A seat on the Board would be the first stage. He proposed that from our Executive Council we set up a working group to investigate and keep an eye on the possibilities of either in conjunction with the management or on our own of buying the business. This was seconded by Mrs Jenkins.

MR HOWORTH was not sure whether Dave Miller wanted us with him or if he wanted to push us in a particular direction or not.

THE PRESIDENT pointed out that he personally put a motion to Conference 15 years ago regarding buying the business, and was not against buying it. He was for buying a business that was already successful. He would not want to look at buying the business we have at the moment.

He would want to look at buying a business that we are going to ensure is there at the right time for us to buy it. At the moment it is unionised, it is over subscribed with people, it is using technology that is already outdated, methods of distribution that are not the best, and methods of supervising SubPostmasters that are not the best way of doing it. Before we look at the business, we should look at getting it into a shape to buy it.

We should consider some of the items raised like supplying our own cash, buying our own stock - and the fundamental implications of these things for the business. If we buy our own cash or our own stock, where was the need for cash handling and distribution? Savings could be made. Where was the need for a security and audit function if the cash and stock you are supplying was already yours? At a stroke you would cut the costs of the business and the head count. Disband cash handling and distribution which is the most unionised part of the operation. It then starts to look not so bad.

We are saying how bad Post Office Limited are, but how bad is our side? How proud would you be of the chain of outlets? The whole thing is about money. The reason it is bad out in the field is that there is not enough money to make it better. We must do some preparatory work before we start to think about it. He was not sure about having someone on the Board at the moment. They would want some equity before that could happen. It is unlikely that Dave Miller would be able to talk to us about it as he is a Director of the company. When you put some money up front and do due diligence on the books, you can start talking about it.

We need to keep buying the business on the back burner, but always knowing that we are the SubPostmasters buying ourselves, and would have to make harsh decisions about how we dispose of the outlets we do not want. We would probably not have support from Government to do it.

We need to look hard at sorting out what savings we can help Post Office Limited to make, in order to make more money available to us. Dave Miller said he will change the way our computer operation runs. The small terminal being shown later is the precursor to that and it runs almost automatically.

MR THOMSON said he understood their aspirations to own the business, and that we need to take an axe to the costs. The Working Group should look at the shape and future direction of the NFSP. It was not working at the moment. He wanted to amend the motion to be to form a Working Group on the future shape and direction of the NFSP to encompass the previous motion but allow other items as well. Not seconded.

MR PEBERDY encapsulated what he thought we had heard as a plea to help the Business. We have to decide if we want to do that in the form that we may have to do it. Could entail a number of SubPostmasters who do not see themselves as retailers being talked to.

There is the argument that there is not enough money for SubPostmasters to put their offices into order. He believed he had heard that unless we supported the Business in getting them to tidy up their offices, they would be unable to deliver the banks and other business. as clients will go elsewhere as our offices are scruffy.

At the moment we are being threatened with our contracts unless we do it. We have to decide if we support that or not. He believed that Dave Miller was saying that if we wanted the rest of the management team to accept us, we need to be in a shape that says we are a forward thinking organisation, prepared to accept standards and see that standards are the future.

Got invited to the 1% Club in the Midlands. Felt like different SubPostmasters to those who attend branch meetings. They were all about getting money for themselves by the way they marketed their offices. They were thinking for themselves how they were going to market car insurance, slogans, etc. They were sharp and the ones who don't come to Federation meetings. That is why Dave Mills, who has met those SubPostmasters, thinks of the Federation as backwoodsmen. All we talk about is money, all we talk about is opposition, all we talk about is not taking the organisation forward.

He liked the idea talked about round the NC table of using one of the specific functions as a toe in the water. Maybe let SubPostmasters use someone else to move their alarm, cheaper than Romec. We have to get SubPostmasters to accept that they are going to pay that cost, but to do that we would have to take the overhead from the Post Office and put it in their pockets to do it. He felt he heard a plea from Dave Miller to try one of these.

He felt we really did need our own symbol group to add value. Perhaps we could use the logistics/distribution arm of stores to enhance it, unless we piggyback on someone else. Perhaps SubPostmasters would buy their stamps up front if they got more for it and got a deal from Royal Mail to stop them going to so many other places. Only go to retailers because they get money before stamps are sold.

We needed to look at the shape of the Federation for long after we have left it, for it's future or all our years' work will have been in vain.

MR MARK BAKER clarified that the motion was to set up a Working Party to look into ways of approaching buying into the Business, and that we needed to do something. He felt managers were getting organised to bid for the company. We would have to commit some resources and finance to do so, but if we didn't do it now, it would be too late. It would only be a Group of enquiry purely to gather facts and report back. We would then be prepared if someone made a move. We needed to be prepared this time.

THE GENERAL SECRETARY reported that it was already a policy of this organisation; under Motion 47 of this year. In every respect we have to decide where we are going to go as an organisation. We have to take the members with us.

We had other motions saying no training without pay, ballots of members, etc. and we are in danger of losing touch with the members. We need to think about how much of a trade union we are.

We didn't have a commercial function, but we introduced one. How valuable are we as a trade union to our members? We fail to deliver for them. We need to go back to where we were with a vision of bright stores on the High Street and raise the bar. We need to look at your businesses as one business. We need to talk about the Post Office and what we can do for them. We need to look at dealing with cash handling ourselves. We need to consider it. We need to decide if we are big enough to go in and work with Post Office Limited.

If we are going to have Working Groups, we should have working groups to do work and explore the possibilities that might be there. We need to look at Romec, never forgetting that we need standards. We need to look at the private side and do more. We need to look at a symbol group for the top 2,000 office with our branding alongside the Post Offices. Below that there could be an affinity group.

Royal Mail vans visit every day and it wouldn't take much to prove they have the biggest logistics company in the country. However, it is important that we take the members with us. We should pursue the motion, and give it to whoever wants to do it, but we also need to work towards goals for tomorrow and the future.

MR WILLSHAW believed we were being asked to help. The offices doing Bureau at the moment are being offered a better deal - where do we stand? Some will want to make an extra 1%. Do we have the right to say no. Dave Miller needs our help to govern what work is being done. Do we stop the cherry picking?

MR MILNER felt the 5 year plan view shown by Dave Miller was a red herring. The what we want and what we need was the main question being asked, and we were being asked to support their vision for the future.

David Mills has been to meetings and seen negativity and fear in the network. He wants support from us to overcome that. Needs to change pessimism into optimism. We will be charged with collaborating, with not being realistic with what is happening in the network, it is impacting on SubPostmasters pockets.

We need to share in communicating the message out with Post Office Limited, of the change to banking and financial services supplying a secure future. The prize will be the strengthening of the partnership and a belief by the senior managers that the Federation can be forward looking. Perhaps we have spent 4 years working for a vision that is not going to become a reality. My work for the Federation has had the same vision.

Have always been sure that the network will survive in some form. Difficult journey. Maybe a joint letter from the Federation and Post Office Limited based around what was discussed at conference, that the big brand can be the way forward. Proposed that the General Secretary and Chairman of the Negotiating Committee meet with David Mills and Dave Miller to produce a joint letter to go to individual SubPostmasters reassuring them that the future can be successful. Seconded by Mr Darvill.

MR BUTLIN clarified that Motion 47 related to an independent report, and that Mr Mervyn Jones was suggesting an internal working party. He asked if we had the necessary capacity on the Executive Council to undertake a report ourselves.

THE PRESIDENT pointed out that before putting a report to an outside agency, we would put together a Working Party to decide on who we were approaching and what the terms of reference were. For that reason it could be the same motion and he believed it was.

MR DARVILL reported that we employed Staffordshire Business School some years ago who did a superb job on making us think in a different way about the business and whether we could take it over and run it. He suggested we approach someone like them to do the same thing.

THE GENERAL SECRETARY pointed out that we cannot approach something like this with rose coloured spectacles. We need an objective report for the Executive Council to consider. We should by all means commission an independent report, but he suggested we did not need to find another committee of people. We need to commission an independent report as instructed by the motion, and while that is happening, we need to get on with the business of the day which is to try to raise the game. He smells smoke out there and wasn't sure if Rome was burning, but we really needed to get on with something now.

MR MERVYN JONES reported that an independent report would give us the situation as it was at the time of the report, but he didn't want to buy it now, he saw it as an opportunity for the future. The Working Group to review the subject would be a moving feast as the timing would be critical. In 18 months time the business may have turned the corner. In 4 years time they may be making £½ billion worth of profit. They are developing a range of products that he was convinced would turn the business around.

An independent report would say at the moment do not buy the business. The management are interested in buying it. We cannot let them buy it without substantial involvement from us. Could maybe have a joint buy out. He felt it would be wrong to commission a report now. We need a working group to review things before the business turns the corner. The trick is to buy it just before it turns the corner.

Some of us had lively post offices. Some of us were doing quite well. We do need to raise the bar. The ones at the bottom of the heap are absolutely dire. We need to work in partnership with the Business. There will be savings if we decide to buy our own cash and stock. Will achieve a reduction in core expenses to move the business forward. He was all in favour of working for a short-term partnership. We would have to make decisions about rural closures, but they would have to be made anyway. We would need to ensure that savings and money generated from the savings is put into the pockets of SubPostmasters for redeveloping their outlets.

There was talk about support for those who wish to leave, but we needed to look at how we are going to protect those who want to stay and fight. There was over emphasis on the wrong aspect. Mr Mark Baker mentioned priorities; we needed to work towards a long term goal. He then moved his motion. "From our Executive Council we set up a working group to investigate and keep an eye on the possibilities of either in conjunction with the management or on our own of buying the business."

DECISION

MR MERVYN JONES asked if the Council would be happy to take advice on how to move forward and set up a working party.

MR PEBERDY clarified that this was something that appeared under A3. You were asking for the Committee to look after it. The proposer is a member of that Committee - the Negotiating Committee.

THE PRESIDENT clarified that a motion had been passed wanting a committee to look at, and keep a watching brief, on the possibility of buying Post Office Limited. The future of the Post Office came under A3 which is the Negotiating Committee. Mr Mervyn Jones is part of the Negotiating Committee.

MR DARVILL pointed out that just because it was under A3 does not mean it was a Negotiating Committee matter, and that there were other people who would like to take part. He asked why it had to be the Negotiating Committee.

MR MARK BAKER said that the Negotiating Committee had much work to do. One member of the Negotiating Committee should head up the working party, but use other people to make up the body of the working party. Important to decide what size the working party should be.

THE PRESIDENT asked for ideas.

MR BUTLIN did not agree that they were looking for a management buy out. He thought they have problems and needed our help. They were asking us to help to discipline our members.

He felt that talking about a buy out when we are not entrepreneurs but SubPostmasters was not sensible. We are being asked to bite the hand that feeds us. Would like a working party to discuss getting alternative services into the business. Dave Miller made it clear that if we went that way, he would help. He therefore proposed that we take up the offer of having a working party with Dave Miller to discuss services.

THE PRESIDENT interjected that in the interests of carrying on with a productive debate we should move the appointment of the committee to A8 on the agenda as it was there that Motion 47 was discussed.

MR MILNER restated his motion that the Chairman of the Negotiating Committee and the General Secretary meet with Post Office Limited to produce a joint communication reinforcing the message in relation to the motion on the future of the Post Office network supported at conference, including an affirmation of the belief of the Executive Council in the future of the network. Seconded by Mr Darvill.

MR MARK BAKER commented that joint letters worried him. They could be taken the wrong way by our members and his understanding was that the letter would merely reaffirm that we needed to work more closely with the Post Office. Many members would feel it is all very well the Federation declaring their brand loyalty, but we didn't have much coming back their way from Post Office Limited.

He felt it was premature for this sort of statement to be made. Post Office Limited had not handed over anything to demonstrate they were serious about working closer with us. It could be taken the wrong way if the letter was sent at this time.

Maybe the Chairman of the Negotiating Committee could have a meeting to start getting the Business to demonstrate in financial terms that changes in working practices should take place. Do not support the motion.

MR THOMSON agreed with Mr Mark Baker. We needed to work with management towards a better future. The network does have a future, but for many members there was no future for them. He felt it would be wrong to put out a letter at this stage.

MR MERVYN JONES asked if perhaps we should be feeding back to David Mills our cooperation to try and build up our assistance to reduce core expenses of the business and the savings achieved through things we have suggested are subject to negotiation to return to SubPostmasters and encourage them to reinvest in their business.

MRS REEVES felt it was premature to write a letter. We need to engage with Post Office Limited to find out how far they are prepared to go. Were we capable of meeting them half way? They may ask for things we are going to have to be brave about, and maybe points of issue we cannot concede on. See what happens before letters are sent.

We should utilise the tools we have like the journal, be more positive at branch meetings, challenge SubPostmasters more and tell them to raise their game.

MR BUTLIN pointed out that Kevin Gilliland had made a brief statement that he acknowledged that trust from Post Office Limited was not there and that he would try and build that trust. He felt we should give him a chance and when he had done it and we have a solid basis to move forward, then we should send a letter. It was too early at the present time.

MR DARVILL mentioned that the subject had got a debate going. He felt there was some merit in the idea. He felt it should not be a joint letter but one from the Federation, and that it would give the Chairman of the Negotiating Committee and the General Secretary something to hold on the Post Office to help with negotiations. They could use the line of if you want our co-operation, start paying. It may not be the correct time to write now, but it could be used in the future.

MR MILNER explained that he never said it would be an easy message to get across. We were in this until the end. We have been fighting long and hard to get a successful network. Dave Mills has already communicated with SubPostmasters with the message he gave to those at conference. What harm in a joint message that the Federation supports his view. We do not have time, he will not hang around. We need to act and give some reassurance to SubPostmasters that we do see a future for the network and he thought the joint letter would do exactly that - it would give both the Post Office and the Federation's view, and would commit Post Office Limited as well as the Federation to the words.

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MR MARK BAKER felt the Negotiating Committee should go and take up Kevin Gilliland's offer and recreate the trust. We needed something to show the members that the Post Office are genuine. In turn we needed to ask them to change the way they work and their attitude. Post Office have demonstrated by what we have extracted from them, and that will be the time for a letter pointing out that this was all they are going to have to work with in 18 months time. The immediate future means engaging in talks to right some of the wrongs. We still didn't have pay sorted out. We didn't have PRAG sorted out. That would show some commitment. We could get some gains on these issues to demonstrate a fairer way of looking at each other.

MR PEBERDY reported in the confines of the debate, that he felt that one of the things we were given today was an olive branch being offered by Kevin Gilliland of more honesty. He felt he would share more information with us to enable us to negotiate properly. He felt he was shocked at that first meeting that we walked out on his first day. Since then the Negotiating Committee meetings where Kevin Gilliland has been present have been more purposeful, and we would willingly embrace what Mr Mark Baker said. There are some green shoots of that which will come up in our report.

He did believe as leaders of the organisation that before the end of the Executive Council Meeting that there should be a coherent policy as to where we are going. There are some bitter pills for a trade union to deliver to its members. We may be better thought about by those who do not attend branch meetings, and by those who see us as negative. We may be accused of listening to members too much. We listen at conference and how many people go to conference? If you go to a branch meeting, how many people actually attend? Perhaps we should go and ask them to tell us what we should do.

Somewhere along the line if we are going to have what the public perceive as a strong brand under which we make our livings, we have to decide what we support and what we don't. We have to encompass a method of delivering the bitter pill of reducing the rural network. We have a membership we know cannot survive in rural locations. We have to bite the bullet. There will become a time when if offices are not going forward in a certain direction, and after certain amounts of perceived help and they don't want to go down that route, we will need to look for a better SubPostmaster.

Would like to hear Council's coherent view of which way we do go forward.

THE PRESIDENT explained that the discussions had several threads running through. The Post Office itself needs to get smarter and less expensive. We need to get smarter and better at what we do. We need to smarten up, accept change, we need to some extent to forget the commission side and look at growing volume, growing sales and generating commission in spite of ourselves.

We have talked about ways of helping Post Office Limited to cut costs - the provision of cash, provision of stock and changes to the way it was done.

We also need to look at the SubPostmasters businesses. It now has to be a dual approach. The days of stand alone post offices are long gone. It would be necessary for us to help SubPostmasters as we are an ongoing aid to them to find the level of business on the retail side and offers which would be suitable to them. We needed to ensure they have accessibility to those things and use them.

It would give them more than one leg to the stool, with that and the Post Office saving money leaving more money for them giving two legs to the stool. The third leg will be the standards of the offices. It will be essential that they grow in their standards that they display to customers.

We needed to become more like a franchise, to try and encourage people to raise standards. It was a new message that will have to go out from us.

He put a motion that the Executive Council through the Chairman of the Negotiating Committee and the General Secretary engage with Post Office Limited to identify opportunities of developing future initiatives where the NFSP can be the conduit for SubPostmasters to benefit from cost reductions brought about by SubPostmaster involvement in the provision of cash, stores and other centrally provided services and to maximise opportunities to provide quality offers to SubPostmasters towards the creation of viable private businesses and to champion the cause of higher more constant standards within post offices across the entire network.

MR MARK BAKER said that we had to pay attention as to where this could end up. What we were talking about was changing our contractual position with the Post Office. To do the things suggested would mean that contracts are not relevant and would impact on the contractual relationship between the Federation and Post Office Limited. Would bring us more towards a trade association than a trade union. Once achieved we could help our members to deal with conformance. We could negotiate with the signwriters and get a better deal. We could get a better deal on carpet, screens, and many other things. This would keep members loyal to the Federation. Not just staying as we are and helping the Post Office move forward, we are talking about necessary fundamental changes.

MR PEBERDY thought that the motion would enable us to start the ball rolling with our commercial arm. We could do those things. We had our own sign once. The delay in us doing it was that we have not had a commercial arm full time who could have sourced those things. We run a very small ship. Under a new commercial arm we could target someone whose job that was. We have only been prevented by limited resources in headquarters and our commercial arm. Restricted because of the diversity of where they had to pick it up. This would be the remit of the new person.

THE PRESIDENT took a vote on the motion which was carried unanimously.

DECISION

Irrelevant

Irrelevant

Irrelevant

CTION

Irrelevant

Irrelevant

DECISION

Irrelevant

Irrelevant

(c) Debt Recovery

PC SC 27

MR PEBERDY reported that we had had another shot at this situation. It was discussed at the Negotiating Committee meeting on Sunday. Needs further work, and specific examples. Document as written covers eventualities. What we are hearing is about interpretation in the field. No use us making agreements, Post Office Limited producing documents and then not being implemented correctly. We have some examples and ask the Council to allow us to take it back.

MR DARVILL produced an example of an open postal order, many Council members had never seen one. Need to be bar coded so they cannot be forged. We should do something about these cases as SubPostmasters are being held responsible.

MR MARK BAKER commented that there seemed to be little indication that we could represent out members. Will lose confidence of our members if we put our name to such a process. Should write to Post Office Limited telling them that we do not agree with this, and to our members, and challenge it. They have to demonstrate a fair and equitable system of proof, evidence giving and ideally outside adjudication. He proposed that we didn't send the Negotiating Committee for further negotiations. If we take out the Crown Offices, it was down to about £21 per office per year. Why do they need these elaborate systems? They have systems already, why aren't they using them? He proposed that we write to the Post Office and say no to the system.

THE GENERAL SECRETARY accepted all that had been said about making good sums of money following on from excellent forgeries. Had one at Shoreham and he couldn't see what was wrong. However, the instructions clearly said that you must ensure that the Shakespeare hologram was on a card. However, when there is an error and the SubPostmaster is found to be at fault we are talking about a debt recovery system. Paragraph 5, Principles, seems to have been completely forgotten as it lays out exactly what should be in place before they seek to recover the debt. This programme puts in place another means of a SubPostmaster making good sums to avoid getting the sack. The starting point was the contract which clearly states that the SubPostmaster must make good sums of money. There should be an appeal to ensure that the balance of probabilities is satisfied. If we removed this process, what other mechanisms were open to the Post Office other than termination of contract. Though this may not be ideal, it was one stage better than we previously had.

MR DARVILL commented that on the old system there used to be something called sympathetic consideration which was now missing. We needed a fair system, and this one did not allow for the very good forgeries that were now appearing, and also introduced a discussion on the ownership of a 'bounced' cheque.

THE GENERAL SECRETARY explained that this was not to do with debt recovery. He responded regarding the ownership of the cheque. The bank returned it to the Post Office and the Post Office paid, therefore the Post Office owned the cheque. When you made it good, you owned it. Things were tighter than they were, £13 million was out in the network not being made good. May be down to lax management. Maybe now it has gone too far and we need to write and say we don't like Tony Marsh's attitude to losses.

MRS BETHELL asked about cases where all checks were made but the cheque book and cheque card were stolen so the banks refuse to pay.

MR PEBERDY reported that this would be outside the balance of probability, and the SubPostmaster should not be asked to pay. Post Office Limited asked what happened in the case of a forged £20 note being taken on the private side - who pays?

MR MARK BAKER proposed that the Negotiating Committee go and negotiate an appeals procedure where a member can gather his evidence and go for an interview with the appropriate level of management, represented by someone from the Federation and argue his case before any debt recovery process is put into place. However, before such talks are started we should write requiring them to suspend all activity currently in place.

MR PEBERDY was happy to go back and ask for an appeals process, and mentioned that we had been asked to nominate someone for the REM appeals panel and Mrs Sally Reeves had been nominated.

ACTION

MR THOMSON reported that most SubPostmasters do make good their error notices. If someone felt strongly enough, there must be an appeals process. He felt that we should make it clear to Post Office Limited that if they were not prepared to introduce an appeals process, then we would not accept the rest of the process.

MR DAVIS had checked the contract at the end of Section 18, Paragraph 5 and it states "Appeals on all other issues for example recovery of losses caused by SubPostmasters negligence are heard by the Regional General Manager whose decision is final."

The appeals process was a contractual right - this process did not remove that right. We would write to Dave Miller and explain that we resented the fact that we had entered into an agreement and it appeared to be being used wrongly as the first thing they are doing was taking money out of salaries.

MR DARVILL reported that forgeries are now getting past the checking machines, and raised some specific cases where robbery was involved.

MR PEBERDY reported that many points had been raised to the Security Division and we are awaiting their response. One point was that whilst the procedure outlined could be good advice and sound advice, it should not be contractual.

MR MARK BAKER commented that until such time as the situation is clarified, the Contract Managers have instructions to remove payments from wages.

THE GENERAL SECRETARY requested that every case be sent to Shoreham that was outside the process to be followed up immediately.

Irrelevant

Irrelevant

ACTION

Irrelevant

Irrelevant

DECISION

Irrelevant

ACTION

Irrelevant

Irrelevant

Irrelevant

Irrelevant

CIRCULATION: NATIONAL EXECUTIVE COUNCIL A1

FM OG 02 02

MS/LW FM OG 02 02

6 August 2004

CIRCULATION: NATIONAL EXECUTIVE COUNCIL



FSP
National Federation of SubPostmasters

GRO

Telephone:	GRO
Fax:	GRO
e-mail:	GRO

www.subpostmasters.org.uk

General Secretary: COLIN BAKER
Senior Assistant General Secretary
KEVIN DAVIS
Assistant General Secretary
MARILYN STODDART

Dear Executive Officer

MINUTES OF EXECUTIVE COUNCIL MEETING – 21 – 23 JUNE 2004

Please find attached the minutes relating to items A4 – A16 on the agenda for the above meeting.

Yours sincerely

MARILYN STODDART
Assistant General Secretary

Encl.

Irrelevant

Irrelevant

ACTION

DECIS]

Irrelevant

DECISION

DECISION

DECISION

Irrelevant

DECISION

DECISION

Irrelevant

Irrelevant

DECISION
ACTION

ACTION

ACTION

Irrelevant

SION

SION

5. Training FM MS 04
- (a) Retail Academy – Report of Pilot and Way Forward FM MS 04

MRS JENKINS reported that Induction workshops had been delivered on a group basis across 3 Regional Development Agency areas, North West (Preston College), South East (North West Kent College) and North East (City of Sunderland and

Stockton Riverside Colleges). Operationally, delivery of the induction workshops had required an IT supported environment to be able to use the diagnostic tool. Subpostmasters had needed to go to a supported venue. The necessity to make arrangements to leave the business and/or give up spare free time was a barrier resulting in a number of no shows at the one day workshops, evidenced by the fact that 60 out of 187 registering Subpostmasters failed to attend.

Whilst feedback from those attending the first workshops had been very positive, it was felt that having to travel to these events may have contributed to the high level of "no-shows" and therefore, a different approach was needed to overcome the issue.

Building on the feedback from the initial induction workshops a two-session workshop had now been developed that uses a paper based diagnostic tool, which can be delivered at NFSP branch meetings and then followed up on a one-to-one basis with individual members. The paper based version of the diagnostic tool was easier to complete and could then be input later into the same computer programme to produce an assessment of the Subpostmaster's learning needs. The college can then discuss this on a one-to-one basis at a time that is convenient to the member. The development of the paper based diagnostic means that instead of having to ask Subpostmasters to travel to attend a workshop, Retail Academy College partners were able to bring the workshop to branch meetings and a follow up with the results could be done by visiting the member's Post Office at a convenient time.

A letter had been sent to Branch Secretaries offering the Retail Academy as a guest speaker for the evening at an existing branch meeting or, alternatively, arranging a meeting specifically for this purpose, with the facility for a paper based diagnostic workshop. The P & D are waiting to see what the response to this is.

MRS JENKINS added that the pilot was a joint one, which included the National Federation of Retail Newsagents although they were not as far advanced as the Federation were in holding induction workshops.

The P & D Committee have had discussions with Retail Academy and North West Kent College, who would be willing to run an induction workshop specifically for the Executive Council.

MRS JENKINS in response to a question from MRS REEVES on the new paper based diagnostic tool being used at a Branch Meeting, informed Council that the meeting was an ordinary Branch Meeting and Retail Academy had been invited to attend as guest speaker and engage with Subpostmasters.

MR THOMSON was of the opinion that training was important, but he felt that the Federation as an organisation should approach Post Office Ltd to change their structure, ie fewer Retail Line Managers and provide Retail Advisors. He added that the Federation ask Post Office Ltd to source a provider through the Federation's trading arm.

MRS REEVES shared her concern on the length of time spent on training and there being very little take up.

MRS JENKINS believed the reason for no shows was that people were being taken away from their offices.

THE NATIONAL PRESIDENT asked for clarification on a meeting in the North East. MR DAVIS responded by saying there was a problem because there were only four branches with a total of 500 members that would have been eligible because of the colleges catchment areas. Also the Branch Secretaries did not get the materials out on time to members, which meant the first round of arranged dates did not take place. Since then 22 have gone through in the Sunderland area. The idea of the pilot was to try different methods of engagement. MR DAVIS added that the pilot was due to continue to March 2005 when it would be assessed.

MR THOMSON asked how many offices as opposed to individuals had attended the courses. MRS JENKINS said that in the main it was one person from each office. She added that there had been one diagnostic workshop before Christmas and since there have been three in Preston and two in Sunderland.

MR BUTLIN said there had been six induction meetings and 127 people signed up. He asked if any of the Publicity and Development Committee had attended the meetings. MRS JENKINS said she had attended Bluewater in November and one in Preston and MRS BETHELL had attended one.

MR MILNER was in support of training in the retail side. He alerted Council to the fact that when looking at the cost benefit of what was being provided, the Federation were not able to access funding for this training, but was aware that Retail Academy were able to access funding. Some agreements had been made that the Federation could re-claim some costs from Retail Academy. He asked for an explanation of the cost implication to the Federation.

MR DAVIS explained that Retail Academy did not receive funding as it went directly to the colleges. Retail Academy received a payment for managing the project and developing the course and learning materials, which included I.T support, CD's and workbooks. There are three elements to the Federations involvement. The first is involvement in the Steering Committees for which, whereby the Federation can recover costs from the

project fund, travel, accommodation and subsistence for any attendance at meetings. The system within the Federation is expenses can be claimed. Fixed rates apply ie: £100.00 per overnight and £20.00 subsistence, first class rail fare. What can be recovered from the project is second-class rail fare, at the cheapest rate that can be attained. Also any subsistence and any accommodation chosen would have to be reasonably priced. Receipts are required for any claims made, together with a meeting report. If Executive Officers attend workshops to support the delivery by colleges then there was a facility for them to recover some costs for attending from the colleges at the rate of £150 for a full day or £75 for a half day/evening, plus travel at second class and subsistence. MR DAVIS added that centrally headquarters could recover 50p per letter sent.

MR PEBERDY referred back to the GENERAL SECRETARY'S report at the previous meeting, when he reported on a meeting with Rob Arntsen where the GENERAL SECRETARY had refused the offer of 50p, as this would not cover the cost to Headquarters, and was waiting for Mr Arntsen to come back with a better offer and asked MR DAVIS if he was indicating that a better offer had not been received. MR DAVIS had attended the meeting with Rob Arntsen and Philip Bloor was going to find out what the cost would be.

MR WILLSHAW said he had attended a meeting at Bluewater and agreed that there should be training.

MR BUTLIN agreed that training was necessary, but was concerned if the training being offered was right, as the take up was low.

MR PEBERDY was of the opinion that a lot of time and effort of the Secretariat and Publicity and Development Committee was going into pushing something that people were not interested in. He added that retail training should be on the retailer's premises. He questioned the fact that the Federation were trying to make something viable for both the colleges and Retail Academy. He proposed that support should be withdrawn for retail training and that concentration be on membership.

THE GENERAL SECRETARY said that when interviewing for the Commercial Director's position were asked to be critical of the Federation. They had all responded by saying that Business Advisors were needed. One had suggested the way forward was to get large organisations to sponsor the advisors. Subpostmasters are asking for business advice not a qualification. The Federation should look at where resources are focused upon.

MR M BAKER said that there was a Conference Motion that had asked for training that would culminate in accreditation. He urged the Council not to throw out training.

MRS REEVES shared her concern that there was still 9 months of Federation involvement at the end of which it is uncertain if the program will continue.

MR MILNER felt that at present a decision could not be made on withdrawing training, once the new Commercial Director joined the Federation further ideas could be input.

MR THOMSON was of the view that the best training was in house to enable people to maximize potential and supported MR PEBERDY.

MR PEBERDY in his right to reply said Subpostmasters had been given the opportunity for training, but had not taken up the option. He said it was at a cost to the Federation. The time being spent on training could be used to increase membership.

At the vote the motion was lost.

DECISION

MRS JENKINS asked again that Executive Officers let her know in due course if they wished to attend a demonstration of the diagnostic at Bluewater.

ACTION

(b) Retail Academy – Future Involvement

FM MS 04

MRS JENKINS referred to a document that had been circulated on the Retail Academy share offer, and asked that the offer be discussed.

MR REEVES asked for clarification that the cost would be £2,000. MRS JENKINS answered £1,000. MRS REEVES said that the document stated 20b shares at £100. would equate to £2,000. She was concerned that money be put into something that had an uncertain future. She was also concerned because the deadline for the shares option was 30th April. Other organisations had not appeared to take up the offer. MR DAVIS said that the organisations that had not responded to the first options on shares were the NFSP, Barnet College and London institute. The reason that the NFSP had not responded to the share offer was because the decision had to be made by the Executive Council. He added that in terms of the future of Retail Academy the pilot would finish in March and not Retail Academy. The certificate would remain on the mainframe for two years after the pilot finished. MR FERGUSON referred to the share offer in the document, which stated that the purchase of shares would be not less than 20 at £100. each, therefore, it equated to £2,000. There was also the issue that the money was going to a firm of solicitors and not an accredited bank as is the norm.

MR MILNER said that a decision should be made when the new Commercial Director was in place. MR MILNER put a motion to Council, which was "The involvement in retail training be confined to a minimum until a meeting takes place between the Commercial Manager and the P & D and a report given to the Executive Council on future work in retail training." The motion was seconded.

GRO

MRS JENKINS asked MR MILNER to quantify what he meant by a minimum? He answered by saying there should be no more development work, ~~beyond the current pilot.~~

until the report be brought back to E.C.

MR PEBERDY reiterated his concerns over the amount of time and costs borne by the Federation on Retail Academy. MR MILNER said that the number one priority for the P & D should be membership recruitment and the second priority be a root and branch investigation of where the organisation was going. He suggested that headquarters staff did very little work on Retail Academy.

MR BUTLIN said that Retail Academy should arrange their own meetings and not depend on the NFSP.

MR PEBERDY raised the issue that if the share option was taken up would it also include an offer of a directorship and if the case whom would this be. MR DAVIS confirmed that was the case and said that the Council would need to decide whom the person would be.

THE NATIONAL PRESIDENT asked if MR MILNERS motion meant that we would not be take shares in Retail Academy. MR MILNER clarified that this would be the case.

The motion was carried at the vote.

DECISION

Irrelevant

Irrelevant

Irrelevant

(b) Dates of Future Meetings

4th, 5th & 6th October 2004, Grimstock Country House Hotel
10th, 11th, & 12th January 2005
20th, 21st, 22nd & 23rd March 2005
20th, 21st & 22nd June 2005
17th, 18th & 19th October 2005

The Publicity and Development Report was moved

DECISION

Irrelevant

ACTION

DECISION

Irrelevant

DECISION

A/6 SPECIAL MATTERS**A/6(a) Finance****(a) Treasurer's Report**

FI AC 02

THE TREASURER reported that there would be a subscription increase on 1st August. He feared backlash from members and suggested that a Branch Secretaries Circular go out to remind them of Conference 2003 when this was agreed. Also it should incorporate the benefits of being a member of the Federation. THE TREASURER reported that membership at the end of May was 76.36%. It was essential to do something now to increase membership. He referred back to MR DAVIS's statement at Conference where it had been reported that if membership grew to 85% it would bring in an additional £130,000 income; £90,000 would go to central funds. THE TREASURER was happy to allow some funds to be used for a recruitment campaign. An increase would strengthen the future of the Federation. He was not prepared to continue to increase subscriptions without the Executive Council making every effort to improve membership levels and encourage Subpostmasters to be members. THE TREASURER moved his report.

DECISION

(b) Interim Financial Review

FI AC 02

The Interim Financial Review had been circulated.

MR PEBERDY questioned the figures on the first page in that corporate membership managed centrally showed a figure of 3,218, this should have read 218.

Irrelevant

DECISION

Irrelevant

DECISION

Irrelevant

Irrelevant

SION

SION

Irrelevant

(b) S60 software Release

PC NW 06 01

MS STODDART reported that the presentation had been circulated and that she had asked for clarification on what scenarios would prompt the text messages on screens, specifically those on slide 8 'Date Capture'. MS STODDART had since received two documents that gave an explanation, but as they were marked confidential she was unable to circulate them. The Product Manager is hoping that the definitive version of the draft operations manual would be available in the near future, which will be circulated. She informed the Council that the messages would be in some detail to alert the Subpostmaster to the situation and gave some examples.

MR MILNER shared his concern on the advance data capture and what type of information would be captured and asked if it would mean additional work in the inputting of data and would there be a payment. MS STODDART referred to the diagram on page 6 of the presentation, which indicated the various steps. She had been told that it was a simple process. The implications would be better known when it was in operation.

(c) Horizon

PC NW 06 01

MS STODDART reported that there was concern over the length of time that it takes to address the problem when Horizon goes down. She referred to correspondence that had been circulated that had been prompted by a letter from the Midland Regional Council, which brought a motion to be dealt with by correspondence rather than go to Conference. This was still a problem, caused by the timescale in dealing with the process that needs to be followed in identifying where the fault lies. After going through the process the contract allows B.T to take up to five working days to put the situation right. An additional problem is that nobody gets back to the Subpostmaster to alert them as to what is happening. She added that the response from Gareth Hall did not indicate precisely how they were going to address the problem. She asked for evidence to be provided on specific problems where systems have gone down so that this could be collated and used to further the Federation's stand on the issue.

MR THOMSON was of the opinion that with the increase in Network Banking waiting five days was unacceptable. MR PEBERDY proposed that the issue be remitted to the Negotiating Committee.

Some members of the Council had experienced problems and said they would provide the evidence.

The proposal was seconded and carried at the vote.

DECISION

MS STODDART said that she understood that Post Office Ltd was monitoring the situation. MS STODDART pointed out that the issue of compensation had been raised and is awaiting clarification.

Irrelevant

ACTION

ACTION

Irrelevant

ACTION

ACTION

Irrelevant

DECISION

ACTION

Irrelevant

ACTION

DECISION

ACTION

Irrelevant

GRO

SHARON MERRYWEATHER
LYNDA WILLOUGHBY

2/10/04

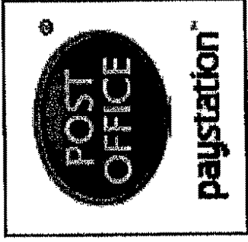
Appendix A

Presentation

By

**Matthew Gibbs
Of
Post Office Ltd**

**Tuesday
22 June 2004**



Post Office ® paystation™

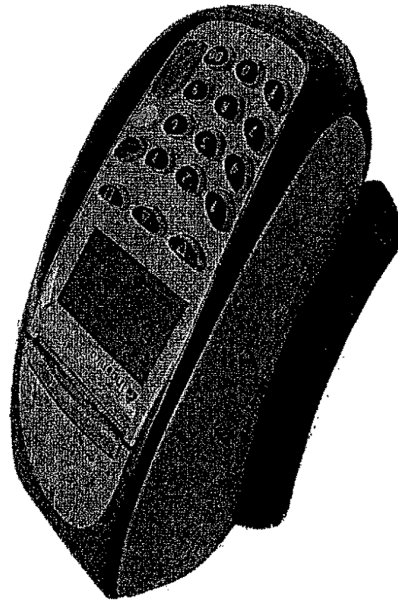
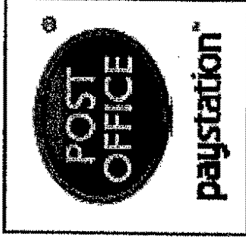
Presentation to the
National Federation of Subpostmasters
Executive Committee
22nd June 2004

In Confidence



MATTHEW GIBBS - STRICTLY
CONFIDENTIAL

What is paystation?



A flexible payment terminal

- Allows customers to charge utility keys, pay for transit and mobile phones top ups during extended hours
- New terminal, primarily on the retail side
- Voluntary for subpostmasters
- Independents are most likely to take the product
- Launch starting October 2004 with a pilot

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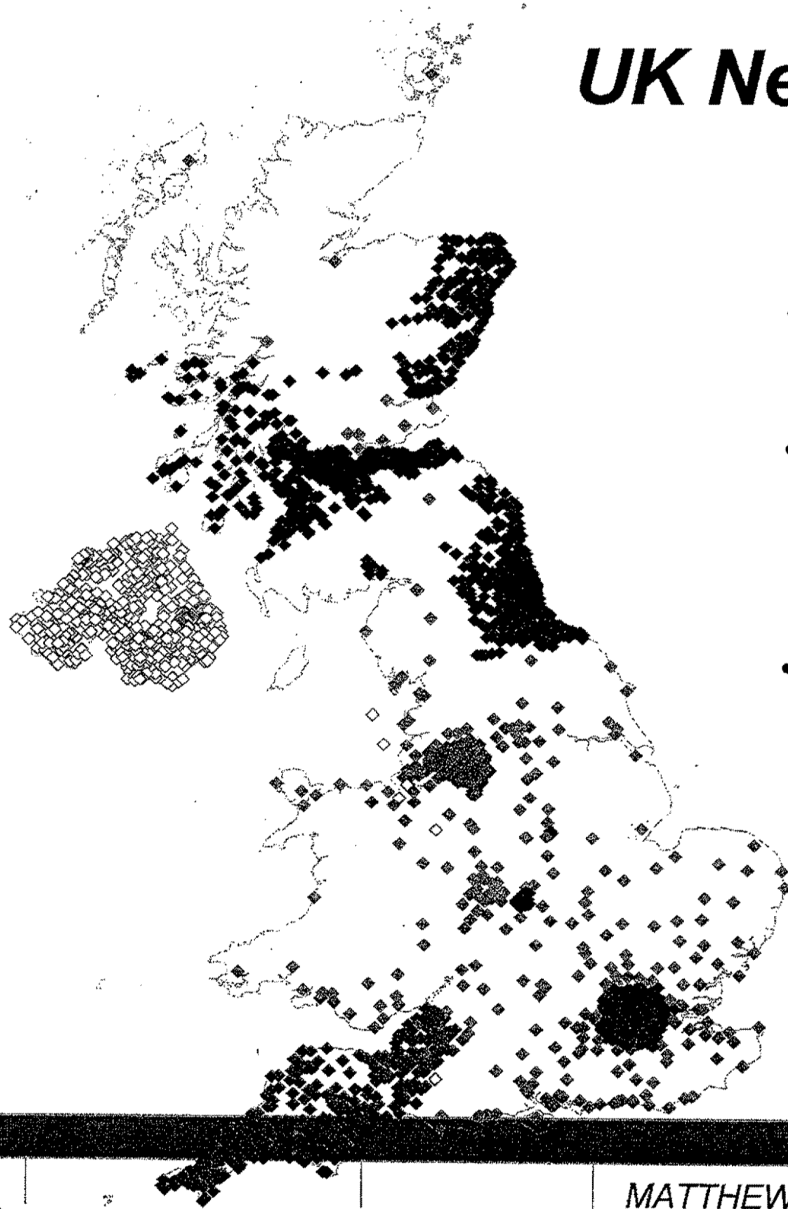
Why are we doing it?



- Increase retail footfall in all locations
- Take on the competition
- Fulfil the need for an out of hours service
- Give profitable access to new products
- Corporate Vision:
 - Bill payment recovery
 - Entry into Smart Transit Market (set to grow to £2bn 2005/6)

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UK Network



- Client need drives the offer regionally.
- Initial Branch Selection
 - Independent Agents
 - Directly Managed
- Questionnaires and follow-up

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The Network: Timings & Location



The optimum network will initially consist of 5,000 terminals.

October 2004 Pilot: 180 terminals in the S. West and London.

January 2005 Phase 1: 670 further terminals in London.

April 2005 Phase 2: a further 4,150 terminals roll-out to the UK.

These targets are subject to agreement with our suppliers and clients.

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Phased approach



October 2004	Year 1 Jan- March 2005	Year 2 Plus From March 2005	Year 2+ Plus From Sept 2005	Potential Products in the future
Pilot	Phase 1	Phase 2	Phase 3	Phase 4
E Top-up	E Top-up	Quantum	Other Transit	Congestion Charging
Transit	Transit			Bill Payment
Key Recharge Electricity	Key Recharge Electricity			Debit Card payment

Plus Other Products

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Targeted Clients



Who will be targeted first?

- E Pay
- TranSys for Transport *for* London
- EdF(Electricite de France)

When do they come on board?

- October Pilot

Which technology will we support?

- E-Top Up
- Oyster recharge
- Actaris key recharge

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Propositions



Agents

- Market based proposition
- Additional income average up to £3,000 (provisional)
- No capital outlay but will need to have telephone and power lines
- Full Training
- Technical and customer Helpline

Clients

- Competitive pricing
- Out of Hours Network
- Security and Integrity of Post Office Ltd
- Continuity of Network
- Customer Service

Customers

- Easy access
- Convenience
- Reliability of the Post Office
- Trust especially around £

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Income - Provisional



	Annual Transactions	Annual Agents Income
Electric	5,641	£457
Gas	1,553	£126
Transit	6,947	£2,682
Mobile	743	£170
Total	14,884	£3,435

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Key dates



June	<i>NFSP EC Briefed</i>
June	Internal and Stakeholder Communications begin
July	Questionnaire 1 with Trade Marketing pack delivered – 10,000 SPMs and selected DMBs
September	Questionnaire 2 with Ts and Cs delivered
October	Pilot Go live (180 branches)
January 2005	Phase 1 Go live (850 branches in total)

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Issues



- Client negotiations are still on-going and are in confidence
- Supplier deadlines – working at pace to hit pilot timescales
- Ensuring adequate coverage of agents for localised clients
- The phased roll –out and communicating this to agents
- NFSP Support

e.g. Subpostmaster magazine

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