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NATIONAL FEDERATION OF SUB-POSTMASTERS

REPORT OF THE

**NATIONAL EXECUTIVE COUNCIL
MEETING**

held on

8th & 9th JANUARY 2001

at

**THE GRIMSTOCK COUNTRY HOUSE HOTEL
WARWICKSHIRE**

Report of a Meeting of the National Executive Council

Held on 8th and 9th January 2001
at The Grimstock Country House Hotel, Warwickshire

Present Mr N Bradbrook - National President and Chairman

Mr A R Butlin	Mr D F Marshall
Mr M Challinor	Mr D Milner
Mr M Darvill	Mr H Morgan-Jones
Mr P Finlay	Mr J Morris
Mr J Jannetta	Mr J Peberdy
Mrs P M Jenkins	Mrs S Reeves
Mr C Jones	Mr P Walsh
Mrs J Kendall	Mr J Willshaw
Mr I McLean	

<i>In Attendance:</i> Mr C Baker	General Secretary
Mr K Davis	Assistant General Secretary
Mrs K Davis	Assistant General Secretary

THE NATIONAL PRESIDENT greeted everyone present and welcomed them to the first Executive Council meeting of the year. He particularly offered the Council's heartfelt congratulations and best wishes to MR. FINLAY who had recently been awarded the MBE in the Queen's Honours List for Services to the National Federation of Subpostmasters and the Local Community. THE NATIONAL PRESIDENT said the Council was pleased and proud to have him among us. MR. FINLAY responded with thanks, commenting that he was surprised and honoured to receive the award but felt there were others who had contributed much more than himself who had not been honoured in the same way.

Apologies were received from MALCOLM ROGER who was attending Horizon training and from MERVYN JONES

GRO

GRO

THE NATIONAL PRESIDENT went on to remind the Executive Council that as this was a two day meeting they would have to push on as the Annual Report had to be amended and corrected where necessary but in order to make progress quicker, they would go through on a page by page basis rather than a paragraph by paragraph basis. They would go through the Annual Report after A5, Publicity and Development Report and then A4.

A/1 REPORTS AND RESOLUTIONS OF PREVIOUS MEETINGS

Executive Council Meeting held on 30th, 31st October 2000
Special Executive Council Meeting held on 24th November 2000

- The Minutes of these meetings had been circulated and were approved.

DECISION

Irrelevant

1. GOVERNMENT AFFAIRS

PO PZ

MR PEBERDY said that both of these papers were asking for the Federation's reponse and excellent papers had been written by our Research Officer Annabel Barnett.

Irrelevant

Irrelevant

1. (c) General Secretaries Meeting

PO PZ

THE GENERAL SECRETARY reported that the Post Office was in dire straits, that Industrial Action was making it worse, that there were threats of the private carrier in so far that the Regulator at Postcomm was proposing to licence local competitors allowing local operators to deliver mail at below uniform tariff. They were proposing a price freeze for two years, they were requiring a service performance to reach 95.2% in two years and they were proposing to open up the network of post offices to competitors but with the Regulator setting the prices. THE GENERAL SECRETARY went on to say that the network was potentially under threat, that he could see good and bad but mostly there was not very much good in it. The Regulator was in favour of liberalising the Counters Network which was a real problem with real difficulties

THE GENERAL SECRETARY said that there would be another meeting. He reported that there would be an announcement the following day that the Post Office would be changing its name, the reason being that the Post Office wanted to be a global supplier and that the name, the Post Office did not mean anything, he said that they were looking for a name that was completely different, that the network would be known as the Post Office and Post Office would mean post offices.

There followed a general discussion on what THE GENERAL SECRETARY had reported.

THE GENERAL SECRETARY concluded by saying that it was very important that the Federation replied to documents. He said that we were no longer in control of our own industry, decisions might be made but there were external influences. He reiterated that the Regulator was very upset with what was going on.

Irrelevant

Irrelevant

2. (e) Government General Practitioner

PO PZ 01

The GENERAL SECRETARY reported that the announcement had been made and that the pilot would commence in Leicestershire. A presentation had been made to THE GENERAL SECRETARY at Gavrelle House. He reported that the payment for this service needed to be worked out.

MR MARSHALL asked THE GENERAL SECRETARY if he had any idea of the list of products that would be involved, that the PIU Report had said that the Federation should be involved.

MR PEBERDY reported that Dave Waltho was only just pulling his team together, that the April date was not very feasible, he had a fairly turned on IT team.

MR. WILSHAW asked whether Government General Practitioner and Government Gateway was the same.

MR. PEBERDY replied that the name Government Gateway was the name the Post Office had given to a brand, they were the same, the pilot would roll out in July 2001 with National Roll Out in 2002, thereby being a year's pilot with the Government training subpostmasters. A sum of £15 million of Government money had been allocated for the first pilot and £70 million a year after that. He added that Dave Waltho would need to come and speak to the Executive Council when the ideas have been formulated.

THE GENERAL SECRETARY reported that he was waiting for a 44 page fax from the Post Office on the Subpostmasters Conferences. MR FINLAY reported that there were problems in the Leeds/Bradford area with a lot of subpostmasters having not been invited and others who had been invited to the wrong event. THE GENERAL SECRETARY asked whether this had been reported to the territory.

MR PEBERDY reported that the first Board Meeting of the Network Reinvention Board would take place on Friday January 12th 2001 which would be part of the future of subpostmasters. There would have to be a reduction in the network of post offices, for post offices that go there would be compensation. The Federation must be joined up as the network is threatened.

MR JANNETTA asked whether it would be a repetition of the work done last year, would there be a viable plan.

MR PEBERDY replied that he did not know but that he might by Friday, that there would be monthly meetings with different representatives.

MR DARVILL reported that he had no idea of what the Post Office were planning, that there were offices with problems, that the Post Office were frightened and were not closing those offices which were not viable.

THE GENERAL SECRETARY reported that the Post Office were looking at the network now, that they have Government instalments, they have claimed that they have a model and money, that it was going to be different, that they were not yet prepared to close post offices. THE GENERAL SECRETARY stated that this was their one chance and it had to be done correctly. The difference this time was that there was money.

MR WALSH stated that nothing could be done until access criteria was decided.

MR PEBERDY replied that it was not a closure programme but reinvention of the network, it was business as usual.

THE GENERAL SECRETARY then gave a presentation on how the Network Reinvention hierarchy would operate. The Group Managing Directors would be Stuart Sweetman and Sue Huggins who would liaise with Government Departments in respect of the work carried out by the Post Office. The three groups to deliver the PIU Report would be Government General Practitioner, Network Banking and PON, this would be the thin layer driven by PON to deliver the PIU under Dave Miller, Managing Director. PON would be responsible for Network Reinvention and e commerce. Phil Smith would be responsible for the Social Network which would have Post Office money. On the commercial side, there would be private capital, there was £180 million in suppliers. He reported that the multiples already had bigger and brighter post offices, that the model and people were not there yet.

MRS REEVES said that she thought that this would be a big chunk for one person, i.e. MR. PEBERDY who replied that it had been made clear that it was to be one person, after the first meeting on Friday January 12th he would report to THE GENERAL SECRETARY.

THE GENERAL SECRETARY said that it would involve the Federation, Executive Officers, etc. even down to individual level. The first thing that was going to happen was to look at urban deprived offices in the Manchester area, post offices had got to be viable and vibrant, bigger and brighter.

THE GENERAL SECRETARY then went on to tell the Executive Council about the information that was needed for the MORI research and that he would need assistance from appropriate EC Officers. There were to be three areas, 1 urban – North East including Sedgefield, 1 mixed in Scotland including Glasgow and 1 rural in the South West and four post offices from each region would be targeted, there would be 20 interviews a day, information about the numbers and flows on benefits/pension recipients at each post office would be needed and permission would be needed from subpostmasters.

MR JANNETTA commented that only Sedgefield was politically targeted to which THE GENERAL SECRETARY replied that it was not a coincidence that it was the Prime Minister's constituency.

Irrelevant

5. COUNTER AUTOMATION

PC NW 06 01

(a) Horizon Implementation

PC NW 06 01

MR PEBERDY reported that he thought that Don Grey did his best to sort out problems with Horizon. MRS KENDALL enquired whether we knew about any subpostmasters who had been affected by an installation during the week commencing 11th December 2000 to which THE GENERAL SECRETARY replied that the Federation had not heard anything.

(b) Operating Out of Hours Facility

PC NW 06 01

(c) Quantum Transaction on Horizon

PC NW 06 01

MR PEBERDY reported that as yet there had been no feed back and he asked the Executive Council for their views. MRS REEVES raised the matter of Quantum on the private side of the business, she asked when would deferred APT machines going to be withdrawn. MR JANNETTA reported that he had the same problem and wanted to get additional Horizon equipment for bigger business on the private side. MR MORRIS also said that extra Horizon equipment would be needed for offices that had been under sourced. MR PEBERDY said that they would take the document back and re-negotiate it.

THE GENERAL SECRETARY would find out about redundant APT machines.

ACTION

(d) Travelling to Training Venues

PC NW 06 01

MR MORGAN JONES reported seven offices in Liverpool which were suffering extreme difficulties in getting to Horizon Training Venues to which THE GENERAL SECRETARY responded that this was being looked into, also cases in Scotland, where the RNM was going to take subpostmasters to their training.

(e) Eye Sight Tests

PC NW 06 01

MR WILLSHAW reported that there was new Health and Safety for Mailwork Offices and that the cost should be re paid. THE GENERAL SECRETARY reported on Conclusion 2 on the Health and Safety Regulations – Eye Tests and VDUs which states that the Robens Centre report concludes that counter staff are display screen equipment users. There was a difference between the Robens Centre report and the NFSP, it was not black and white but we would be acting on the Robens Centre report. The Federation would approach PONU to obtain repayment for the eyesight tests. We were prepared to go into battle.

ACTION

(f) Horizon Polling Problems

PC NW 06 01

MR PEBERDY reported that it was essential that subpostmasters knew of these type of problems. They needed to know a bit more. That they were awaiting responses to what had gone wrong and why they had been kept in the dark.

MR PEBERDY also reported the problems on the effect mobile telephones may have on the operation of Horizon equipment. They would need more information. A notice should be considered for display in post offices.

MR JANNETTA advised that on CSR+ the business needed to be advised that CSR+ does not operate well and considerably slows down balancing.

ACTION

However, there was general discussion between the Executive Officers with some Officers experiencing problems and others having no problems

MR PEBERDY advised that everything that was reported to the Federation was taken up. Unless difficulties were reported, problems had to be logged on. That there were user groups

It was agreed that a notice should be placed in the Subpostmaster advising Subpostmasters to report all problems with Horizon and CSR + to the Helpline.

ACTION

6. SUBPOSTMASTERS CONTRACT PC SC 03

(a) Standards for Agency Offices PC SC 03

No report.

(b) Losses and Gains Policy PC SC 27

MR PEBERDY reported that the Losses and Gains Policy was due for review and that the Negotiating Committee wanted to take the whole of this back to roll into an Interim Reply.

Both MR MORGAN-JONES and MR. PETER WALSH reported on cases where subpostmasters were being asked to make good losses.

MR. DARVILL reported that multiples did not make good their losses on a weekly basis but every month.

MR. MACLEAN reported on the many robberies that were occurring in Northern Ireland. 148 post offices were at risk in Northern Ireland and although £2 million has been spent to improve security, robberies were increasing, so that he would like something done.

MR FINLAY reported on a robbery where the Federation had not been informed, that robberies were not being reported to the Federation so that it made it look as though the Federation was uncaring.

MRS. REEVES agreed and asked why robberies could not be reported to Shoreham.

MRS. KENDALL said that she would be happy to do the job as long as she got the call, that the Post Office had got to do the job properly.

MR. MORRIS agreed and MR MORGAN-JONES reported that it was at the discretion of the RNM to inform the Helpline.

It was agreed that support for subpostmasters after attacks should be sought and that a system be improved to ensure that Executive Officers and Headquarters are advised about all significant incidents.

ACTION

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

3. MEMBERSHIP

3(a) Membership Recruitment.

FM MS 03

The P&D Committee report on Membership Recruitment/Retention: Telemarketing had previously been circulated. MR MARSHALL then called upon MRS DAVIS to give a presentation on the proposal, indicating ways in which the Federation might recruit more members and broaden the delivery of information. During the trial, between August and October last year Marot recruited over 180 members with a subscription income value of just over £11,500 for the year. The

present situation is that membership is haemorrhaging at an alarming rate. Despite incentives, many Branches are not able to go out and recruit members.

The main points included in the presentation were:-

- Membership Recruitment / Retention
- Marketing the new commercial activities
- Marketing NFSP benefits
- Maximising Commercial opportunities.
- Advertising Sales
- Future Advice Line
- Membership Retention

To employ an outside company to do telephone recruitment for the Federation would cost in the region of £50-60,000 per year on a retained basis. On a commission basis costs quoted were £144.00 per signed up member, more than the Federation would obtain in subscription from the higher rate members.

New Subpostmasters were not being picked up. Feedback from the trial indicated that some lapsed members had not left through dissatisfaction with NFSP but had just not signed new mandates. A telemarketing service would provide better information to Federation HQ. and therefore to Branches about present and prospective members. Telemarketing would not replace what the branches are already doing, but will be supplemental.

Counters Club was about to be launched. Telemarketing could be used to make members aware of all the new commercial activities. There may even be opportunities for part sponsorship of the telemarketing project from possibly Zurich or the Federation's other commercial partners.

Other potential benefits of telemarketing would be better database management, better communications with members and market research. After initial instigation of the telemarketing service, it was believed possible to run at no additional cost to the Federation. Set up costs were estimated to be £30,000 per annum. One way of paying for this without adding to overall costs would be by taking advertising sales in house. Anticipated commission due to be paid on advertising sales was £60,000.

Since the demise of Marot, Beverley Wright was acting as Agent on an interim basis for Advertising sales but if the Federation does its own telemarketing this could be taken on in house. A shortlist for interviews by MR BAKER and MRS DAVIS was currently being drawn up.

Estimated Costs and benefits of in-house telemarketing.

<u>Benefits</u>	<u>£</u>	<u>£</u>
Advertising sales in house:	48,092	
1st year subscription Income	10,000	58,092
 <u>Costs:</u>		
1 member of staff	25,000	
Equipment	5,000	<u>30,000</u>
 Estimated profit		28,092 =====

For the future, we could contemplate a members call cycle and an advice line, but this would require additional staffing.

It was proposed that the Federation appoint a member of staff to carry out telephone recruitment & advertising Sales for the journal.

DECISION

After further discussion on the benefits, disadvantages and logistics of in-house telemarketing, agreement was reached that the P&D proposal should go ahead.

Irrelevant

Irrelevant

Irrelevant

9. FUTURE EXECUTIVE COUNCIL MEETINGS

DECISION

At the March meeting the motions will need to be dealt with and it was proposed that the March meeting should commence at 2.00pm on Sunday 18th March 2001.

MR MARSHALL requested that his report be moved, and this was agreed unanimously.

DECISION

Irrelevant

Irrelevant

A/6 SPECIAL MATTERS

A/6A FINANCE

A6(I) Treasurer's Report

FI AC 02

MR JANNETTA expressed his apologies to the Secretariat for circulating his Report before it had been sent to Shoreham. Deep concern about the Federation's finances was expressed. The Federation would not meet its commitments now or in the future if something drastic is not achieved.

A combined proposal was put forward by MR JANNETTA to increase Membership Fees by £5 for small offices and £15 for large offices, and to reduce the Branch per capita income to 25% of Federation Subscriptions.

After a great deal of discussion it was decided that the NATIONAL TREASURER and the GENERAL SECRETARY should discuss multi-layer subscriptions which could benefit each section of the membership and report back to the March meeting, before any decision was taken on MR JANNETTA'S proposals.

ACTION

Irrelevant

A6(vi) Union Facilities

PC HR 03

Congratulations were extended to THE GENERAL SECRETARY for obtaining an additional £2,000 per month from the Post Office from 1st October 2000.

Out of date subscription forms had been sent to HR Service Centre for them to pass on to new Subpostmasters.

A circulation dated 14th December 2000 carried an attached letter from the Post Office confirming the secondment of Nadeam Butt and Ken Boosey to the Federation until March 2001. Mr Butt and Mr Boosey would undertake the role of Commercial Manager for the Federation until March when the situation would be reassessed.

Mr Jannetta asked to move his report and this was agreed.

DECISION

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

Irrelevant

DIANA DENTON
MARIAN JONES
JANUARY 2001

GRO