From: Keith Richards GRO

Sent: Fri 12/07/2013 12:53:31 PM (UTC)

To: George Thomson GRO ; Marilyn

Stoddart GRO

Subject: Fw: Open Letter to the EC

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Sent: Friday, July 12, 2013 1:09 PM

To: George Thomson
Cc: Marilyn Stoddart

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Hi George

Don't know whether this has been sent to you already. It stinks of so much mis-information and untruths which is not unusual from someone who does not know the full picture.

Regards Keith

From: Chris Neill Sent: Friday, July 12, 2013 11:08 AM Cc: grimethorpe po gro ; njoshi GRO ; kymledgar.nfsp GRO ; <u>wendyburke64</u> helenbaker01 GRO ; dramsay.nfsp GRO ; <u>ianpark</u> **GRO** glynneathpost GRO

Subject: Open Letter to the EC

You may all be aware of certain threads on the NFPS forum regarding recent events. It was suggested that members should write to their EOs and express their feelings and concerns. I have taken the step of copying this email to all the EC with published email addresses (please copy to those who I have missed) in the hope that the message might actually get through. I have also published this as an open letter on the forum.

Out here there is a lot of bad feeling towards Post Office Ltd (POL) and we all feel helpless and in some cases abandoned by our General Secretary (GS) and Executive Council (EC) who fail to communicate with us at any meaningful level. The General Secretary could almost be accused of complicity with POL and has a habit of seemingly announcing and changing NFSP policy via twitter. No one likes being treated like a mushroom but that is how we are feeling at the moment, with our destiny being controlled by Pol and an EC that has secretive meetings and fails to communicate and respond to our needs or wishes.

DVLA - Payment

I am not personally a MVL office however many of my colleagues are, but this does concern me as the NFSP asked me to support POL efforts to win the contract and I therefore have an interest in the outcome.

The new contract value is £450m over 7 years or £64M per year; the old contract was for £46M per year.

The rate now prescribed by POL to this work is disgraceful. A quick calculation of the new DVLA rates as at 1 Nov 13:

National Minimum Wage (1st October 2013): £6.31

Stay as you are (SAYA) rate 35p plus removed from Core Tier Calculation

Mains Rate 45p

The additional 10p (22%) for mains is presumably to cover the contribution towards their costs and profit. If you take 22% from SAYA rate (if you infer that Core Tier Rates cover Costs and Profits), that leaves 27p per transaction.

At 35p a clerk would need to be able to process 14 Transactions an hour to achieve the NMW. At 35p it's 18 transactions an hour and at 27p, 23 transactions an hour. This calculation does not include employer NI costs or any contribution to fixed costs or profit.

I am not sure how many clerks could achieve these transaction counts per hour but I suspect very few if any. Therefore it could be said that POL are encouraging Subpostmasters to pay staff less than the NMW or expect Subpostmaster to undertake this work at a loss.

The GS said "...I understand that many members will be bitterly disappointed with this outcome. While I share that sense of disappointment and frustration, I would urge members to reflect on the fact this outcome, while far from ideal, is preferable to having lost the contract, or having to accept the new rates which POL was originally proposing."

This is not good enough. We must condemn these rates and action by POL. We should **immediately** issue press releases; lobby MPs and start a postcard campaign against the management of POL and their appalling treatment of Subpostmasters whilst they sit back and enjoy large bonuses. **Don't just talk about it, we want to see some action and now**. If "reflection" is the best the GS can offer then perhaps it is time we looked at changing our GS. A colleague asked POL how they could withdraw from offering this service given the poor rates being paid. POL responded by saying that it was not possible under the terms of his contract. This will result in him having to undertake the work personally as he cannot afford and is legally obligated to pay his staff the NMW.

Horizon Investigation

The federations response to this report is appalling and makes it look like we did not even bother to read it all and just accepted POL press release and the first conclusion. The report highlights many failings within POL regarding it's dealings with Subpostmasters as well as admitting to bugs in the software. The GS said "...we are nonetheless reassured that the system has been found to be robust in an independent survey, and we continue to have confidence in it." This is totally out of step with most peoples and press reaction to the report.

Ken Parsons, Chief Executive of the Rural Shops Alliance, said: "The fundamental problem is that Horizon does not have sufficient failsafe or backup facilities to cope when these inevitable but rare problems occur. And, unfortunately, even a few system errors a year can wreck the lives of the sub-postmasters involved." This is the very least I would have expected our own union to have said.

POL has admitted to past 'bugs' in Horizon and the authors of the report stated there is problems with the hardware and communications. The authors also indicated there is a lack of information provided to Subpostmasters to adequately defend themselves. These are our colleagues who have lost everything as a result. The fact that POL do not keep their records for longer than 7 years and failed to supply the investigators with proof of their guilt seems to have completely been disregarded in our response. All these issues are ones that should be and perhaps should have been taken up by the Federation.

It is interesting to note that the NFSP was not mentioned at all in the report and perhaps that is because the Federation took the stance of complete and blind trust in Horizon without full & proper investigation and support on behalf of the affected Subpostmasters. If the convictions of these individuals are found to be unsafe at a later date this stance may come back to haunt us.

Network Transformation

Firstly I am dismayed to learn that Mervin Jones is the person negotiating with POL regarding NT on behalf of the NFSP. It is my understanding that he is employed by the NFSP trading company and is not an official of the NFSP. As such he is also allowed access to the Executive Committee Meetings. Firstly, he should be working full time for the trading company, if there is not enough work for him to do then his hours and remuneration should be reduced. Secondly, he has no official standing with the NFSP and should not be allowed to negotiate on our behalf as he is not accountable or elected to do so by us.

There is a lot of 'internet chatter' regarding NT becoming compulsory and the GS has been discussing it openly at branch meetings, even the Minister did not deny it when questioned in the House of Commons. This is **NOT** currently NFSP policy and was not discussed and authorised at conference. I really don't care how many months compensation POL want to offer. I do not want to convert to a Local; it is not economically viable for my office and would result in my LSIV closing. The local model in particular is not designed for small traditional offices even if they are connected to a retail offering. Do any of you realise how many extra packets of McVities Digestive Biscuits (PM £1) at a gross profit of 20% a retailer would have to sell to make up the difference in the loss of Core Tier/AOP/Small Office Payments worth £10K? To save you the arithmetic: 50,000 extra packets!

The public need to know that their Post Offices are once again under threat, this is a closure program by stealth and we all know it. The GS constantly goes on about those colleagues being able to leave with dignity, but even that has not happened with less than a handful leaving on those terms. The federation needs to start looking after the majority of us and not the few that want to leave. POL need to be made to look and think again. They may be the management but we are the Network and our needs and aspirations need to be taken into account.

Industrial Action

Our current non-segregation of mail for the reinstatement of the 1p fee pails into insignificance compared to the DVLA fees and Horizon report but the lack of information regarding the effect on negotiations is worrying. Can we all have an update please?

Communication

The website and forum are the two quickest methods of communication with the membership. In addition I am aware

that the Federation has been collecting email addresses to help speed communication. However these mediums are not used to their full potential and less than 50% of you have even bothered to view the forums this year and some of you have not looked at it since it was reintroduced. Whilst I am sure you all have your own methods of communication with your own area members you are missing an opportunity of gaining even more insight to popular thinking by not using the forums. Whilst I would not expect you to necessarily join in on discussions it may help you to form an opinion or in some cases stop rumour and speculation that can do more harm than good.

Investigation by the Certification Officer

Anyone who reads the various Subpostmaster forums will know that the NFSP is being investigated by the Certification Officer. Is not about time you informed all of us and told us how you are defending our organisation as a Union?

Pay Award

Why is it that we are not being informed of the progress of talks, what has been offered, what has been agreed and what is not and why? Why is it we are not balloted on acceptance?

The General Secretary (This section has not been published on the forum)

I have left this topic to last because it is perhaps the most delicate. There are a number of rumours and accusations circulating at grass root level that need to be investigated and if necessary acted upon. I freely admit I have no proof but in mitigation I would say I have no personal axe to grind against the GS and have found him to be personable and an interesting speaker. I don't agree with the direction he has been leading us but that is a matter of opinion not malice.

This was discussed at a recent branch meeting by an eye witness following conference this year. The GS was standing at the bar expressing his somewhat forthright and somewhat extreme views on immigration. When noticing that the person standing behind him was from an ethnic group he quickly said "present company accepted". Whilst like everyone else in this country he has the right of free speech, to express these views as a public figure and in particular as the GS of our organisation is naive to say the least. Our industry is widely accepted as being multicultural and has welcomed and supported a wide and diverse population of Subpostmasters. I do not think it is appropriate that our GS should hold let alone express these views.

I addition I am informed that the GS has a habit of using inappropriate language and behaviour with some of our female colleagues making them feel uncomfortable. They also feel that any complaint they would make would not be supported by the EC and may find themselves ostracised within the organisation. We need a clear policy on this matter otherwise we may find ourselves in a similar position to the Liberal Democrats.

Lastly and perhaps most disturbing for me as businessman: I have been informed that the GS receives a salary and pension contributions from the NFSP trading Company. This is disturbing because he is already extremely well paid for a GS with such a small (and shrinking) membership of the NFSP. As I understand it the GS sits on the board of the Trading Company as the NFSP representative and as such he is already paid by us. What could therefore be the justification of paying him twice for the same job? If true this has all the hallmarks of a scandal waiting to happen where a union boss is 'feathering his own nest' at the expense of his members.

Chris Neill

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