

29 May 2015



Dear Members,

The Future of the National Federation of SubPostmasters

I am writing in advance of the Special Conference of the National Federation of SubPostmasters (NFSP) on 18 and 19 June.

This follows a long period of uncertainty in relation to the future of the NFSP, following both the reorganisation of the Post Office network under Network Transformation and the NFSP ceasing to be a trade union, although it continues to act on your behalf.

I am very pleased to report that we have, after protracted negotiation, reached a prospective agreement with Post Office Limited (POL), under which the NFSP will be provided with grant funding for a period of 15 years. This will allow for a period of stability for the NFSP and enable it to continue to represent and promote members' interests. The detail of the prospective agreement will be explained at the Conference.

We undertook to present options to the membership and there are also two prospective merger prospects, which will also be explained at the Conference. However, the Council believes that the prospective agreement with POL and the consequent continuation of an independent NFSP best addresses the future needs of SubPostmasters.

An important condition in relation to the prospective agreement with POL is a requirement for the NFSP to reconstitute as a company limited by guarantee. It is currently a residual unincorporated association, following the loss of trade union status.

The reconstitution involves the establishment of a new company limited by guarantee and the transfer of the whole undertaking of the unincorporated association into that company, as a going concern.

This reconstitution process means that technically the NFSP will become a new legal entity, but that, in practical terms, it will be able to continue to operate with minimal disruption.

With this letter you will find the proposed new Articles of Association of the new NFSP. As far as possible, these Articles replicate the provisions of the current NFSP Rules, placed within the necessary corporate framework.

However, some of the technical requirements and the terminology have necessarily changed.

Most significantly, it is necessary to define, in technical terms, company members, while maintaining the current direct relationships with Host/Core Offices, some of which are run as branch offices, rather than independent businesses.

The Articles provide that every Host/Core Office will have an "Organisational Representative", who will exercise the rights of the formal company member owning the relevant Host/Core Office. Thus a sole trader SubPostmaster, with a single Host/Core Office, may be his or her own Organisational Representative, while a corporate SubPostmaster, operating a number of Host/Core Offices, may appoint an Organisational Representative (for example the relevant manager) for each of its Host/Core Offices. This allows for one membership vote per Host/Core Office.

There is also provision for non-voting Associate Representatives of each Host/Core Office, who may also attend general meetings of the NFSP.

The Council will continue to be composed primarily of elected individuals. Using the new terminology being an "Organisational Representative" will be an eligibility requirement for being elected to the Council. The elected members on the Council will be supplemented through further appointments made by the Council and by the former General Secretary, in the future be known as the NFSP's Chief Executive.

Until the first AGM of the new NFSP in May 2016, the current Council will remain in office as nominees of the current Regions. It is then intended that the two Regions which currently have two appointed Council Members will reduce their representation to one Council Member.

The Articles of Association provide a full constitutional framework for the continued operation of the Federation. The constitutional provisions may be explained further at the Special Conference, but we would make a particular plea that the membership should approve the Articles and the transition process as proposed, against an undertaking of the Council to review any issues arising from the constitutional drafting at the first AGM.

This is essential to achieve the necessary changes within the timescale required by POL. The time available for full prior consultation has, very unfortunately, been severely constrained by the time it is taken to secure the proposed agreement.

We look forward to receiving the support of the membership at the Special Conference.

Yours sincerely,



GRO

George Thomson
General Secretary (and prospective Chief Executive)