

Consumer Focus Board

Paper 9.2

Title: Update on postal issues policy and advocacy work

Purpose: For Information

Date of meeting: 1 December 2009

Responsible officer: Robert Hammond

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Attachments: None

1 Overview

1.1 This paper provides an update on the policy and advocacy work on postal issues (letters) for both Consumer Focus and Consumer Focus Post.

2 Action for the Board

2.1 For information

2.2 For the Board to note the high level of activity between Consumer Focus and key sector stakeholders to bring about a resolution to the Royal Mail industrial dispute.

3 The key issues

3.1 In October CWU members voted for national industrial action, with several 24 hour strikes taking place over a two week period prior to an agreement being reached between management and the union on 5 November.

3.2 Postcomm has decided that its proposed 're-launch' will not now take place until the New Year, though a date is still to be confirmed.

3.3 Consumer Focus has been working with Postcomm on key upcoming activities, namely the planned market and price reviews. As part of this work, scoping of a significant piece of joint research to assess the long-term needs of postal users has taken place.

3.4 Consumer Focus commissioned omnibus research to gauge the needs and behaviour of post users and perceptions of Royal Mail's performance.

3.5 Consumer Focus Post received tenders for its omnibus research on consumer satisfaction with mail and post office services in Northern Ireland.

3.6 Consumer Focus Post received draft research on the performance of the mail service between Northern Ireland and the Republic of Ireland and consumer satisfaction with postal services in Northern Ireland.

4 Consumer Focus activities

- 4.1 Consumer Focus met with both Royal Mail management and the CWU during the industrial action. We made a consistent call both within these meetings and via the media for third party mediation to resolve the dispute. Publicly we called on the two parties to draw on the services of ACAS though in our meetings we also suggested the TUC's Brendan Barbour as a potential mediator. He did subsequently take on this role and helped bring about the 5 November agreement. The resulting 'ceasefire' will run through to Christmas and give the two parties an opportunity to hammer out a long-term deal.
- 4.2 In Northern Ireland Consumer Focus Post also carried out an active media strategy around the industrial action involving press statements and media interviews.
- 4.3 Consumer Focus attended weekly meetings at BIS involving the government agencies most affected by the industrial action. We advised those attending to access the Consumer Focus website (in addition to the RM website) to source up-to-date advice for consumers and small businesses on how to mitigate the impact of the strikes. Departments and agencies in turn informed their clients of our site.
- 4.4 BIS also provided written updates on the industrial action, which were circulated internally and helped ensure that CF offices across Scotland, Wales and Northern Ireland were updated on key developments on a regular basis.
- 4.5 Consumer Focus sought information from organisations with an involvement in postal issues to get a clear picture of the impacts of the industrial action, and to develop a 'united call' to help bring an end to the dispute. Joint media material with the Periodical Publishers Association (PPA) was issued and there were plans to work with the Federation of Small Businesses (FSB) though the CWU / management agreement meant this activity was not necessary.
- 4.6 Meetings were held with Postcomm to advance key regulatory activities, namely the planned market and price reviews. As part of the work to inform these reviews, scoping of a significant piece of joint research to assess the long-term needs of postal users has commenced. A specific meeting was held with the regulator on new projects dealing with affordability, improved engagement with consumers and the universal service. The idea of a consumer forum to feed into the planned affordability paper was discussed, which would involve Postcomm, Consumer Focus and other stakeholders.
- 4.7 Consumer Focus commissioned omnibus research to gauge the needs and behaviour of post users and perceptions of Royal Mail's performance, initially to support the re-launch of Postcomm, but likely to be released on its own given Postcomm's decision to delay the event. The findings may contribute to an upcoming *BBC Panorama* show on postal issues and also act as a starting point for the joint research.
- 4.8 In Northern Ireland Consumer Focus Post received tenders for its omnibus research on consumer satisfaction with local postal services, which were considered on 13 November.
- 4.9 The draft report on the performance of the mail service between Northern Ireland and the Republic of Ireland was delivered to Consumer Focus Post by Ipsos MORI at the end of

September. The report was due to be considered at the Consumer Focus Post Board meeting on 26 November.

5 Next steps

5.1 The next steps for both Consumer Focus and Consumer Focus Post include:

- Monitor progress between Royal Mail management and the CWU to conclude a long-term agreement to resolve outstanding issues.
- A meeting has been arranged with Postal Affairs Minister Lord Young to discuss key issues including regulation of the sector and the future of the universal postal service.
- Finalise the terms of reference for the planned market and price reviews to be carried out by Postcomm.
- Quality of service results are expected from Royal Mail for the second quarter, which are expected to be down on previous results given the industrial action. These will be compared to results for a quarter affected by industrial action in 2007.
- Complete the scoping of research on the long term needs of postal users in coordination with Postcomm.
- Complete and release the omnibus research to gauge the needs and behaviour of post users and perceptions of Royal Mail's performance.
- Complete research on consumer satisfaction with postal services in NI (in January rather than before Christmas) due to the industrial action and seasonal mail peak.
- Complete and release research on the performance of mail service between Northern Ireland and the Republic of Ireland.
- Annual plan stakeholder event in Northern Ireland will take place on 3 December.