

**Post Offices Advisory Group
Artillery House
Wednesday 24 June 2009**

Agenda:

- 1. Welcome and Tea**
- 2. Peter Luff MP – Discussion and Questions**
- 3. The Postal Services Bill**
- 4. Forthcoming Research**
- 5. POAG Newsletter**
- 6. Any Other Business**

Attendees:

Peter Luff MP
Ulrika Diallo – FSB
Paul Hook – NFSP
Tony Herbert – CAB
Gretel Jones – Help the Aged/Age Concern
Frank Thomas – NALC
Malcolm Craig - CRC
Mike Granville – POL
Manita Basra – POL
Ian Keating - LGA
Roger Darlington – CF
Claire McAnulty – CF
Colin Griffiths – CF
Richard Bates - CF
Kallon Basham - CF
Andy Burrows - CF
Matt Forde - CF

Apologies:

Ken Parsons – RSA
Elisa Provust – Postcomm
Carmen To- Postcomm

1. Welcome and Introduction

Roger Darlington opened the meeting, welcoming Peter Luff MP and inviting everyone to introduce themselves individually.

2. Peter Luff MP

2.1 Peter Luff MP noted the transition from BERR to BIS adding that the work of the Business and Enterprise committee should not change too drastically. Added that at their forthcoming hearing on 7 July with Lord Mandelson and Pat McFadden MP, Royal Mail and the Post Office should feature.

2.2 Talking about the Select Committee's enquiry into the future of the Post Office Network, Peter Luff MP said it was regrettable that he could not disclose details as the report was due to be published in little over a week. Was able to outline some of the broad areas that were raised – such as financial and government services.

2.3 On the Postal Services Bill, Peter Luff MP said it would be impossible for the Government to pass it before recess. Thinks that it's easier to sort POL out than Royal Mail.

2.4 Gretel Jones talked about financial services at the Post Office and said that Age Concern had submitted evidence to the Select Committee before the announcement that POCA wouldn't be renewed. Added that RBS and other should allow access to accounts through the Post Office.

2.5 Peter Luff MP mentioned the Digital Britain report and his concern about the withdrawal of face-to-face services.

2.6 Ulrika Diallo expressed dissatisfaction with the financial products available at the Post Office. Mike Granville confirmed that the Post Office/Bank of Ireland account will be available next year.

2.7 Paul Hook asked if the committee's report mentions the squeeze on public spending that will take place after the next election, whoever wins. Peter Luff MP said that the report was aimed at both the government and the opposition.

2.8 Frank Thomas enquired about the 'Essex model' as some people in Cheshire would like to do something similar. Peter Luff MP said he was impressed with the desire to support the Post Office.

2.9 Roger Darlington asked Mike Granville if any other local authorities were looking to follow suit with Essex. Mike Granville replied that a process exists but that there hasn't been a flood of interest. A few individual cases are being looked at. Peter Luff MP was particularly impressed by the system in Wales which involved training sub postmasters and covering staff costs while the sub postmaster is away on training. Paul Hook agreed.

2.10 Gretel Jones concerned about cost of paying water bills at Post Offices and is impressed with PayPoint. Peter Luff MP thinks that in the past POL thought they had a right to certain contracts – not any more. Mike Granville added that POL now pitches competitively.

2.11 Paul Hook and Gretel Jones discussed the drive to get people onto Direct Debit weighed against the need for some people to pay face-to-face.

2.12 Richard Bates asked Peter Luff MP how much notice BIS would take of the Select Committee report, given that it was the department who requested the report. Roger Darlington added that the group had a responsibility to support the report.

2.13 Tony Herbert raised the issue of migration from POCA if it's not renewed. Mike Granville said that banking-style products need to fit the needs of the community.

2.14 Andy Burrows raised the NAO report and that the government should develop a list of what POL should deliver.

2.15 Peter Luff MP said that whilst a subsidy was needed it should be paid but ideally his aspiration is for an end to subsidy. Malcolm Craig reminded the group that the subsidy was originally for rural areas. Mike Granville added that there is a need for face-to-face capability, not just for the digitally excluded.

2.16 Gretel Jones commented on the Postal Services Bill that there were some positives in it, namely the separation of POL and RM. Peter Luff MP suggested that POL cannot ignore RM as it's its largest customer.

2.17 Roger Darlington thanked Peter Luff MP for his time and attendance, adding how much the group care about the Post Office network. Peter Luff MP congratulated POAG members on how much they have contributed.

3. The Postal Services Bill

3.1 Kallon Basham outlined Consumer Focus's positions: supporting the move from Postcomm to Ofcom; tackling the pensions deficit; neutral on ownership issue – would need more evidence to reach a firm conclusion. Kallon also outlined some of the amendments Consumer Focus would support including being consulted on universal service and Ofcom having stronger regulatory powers.

3.2 Matt Forde outlined other amendments on the Post part of the Bill, including the desire for Consumer Focus to have agreed content and format of the proposed Annual Report to the Secretary of State. Also hoped that if the Bill falls, some pieces could still proceed without legislation.

3.3 Gretel Jones supported CF's involvement in the annual report and POL having it's own board. Gretel then asked if the Bill was passed how soon the changes would be implemented. Kallon Basham replied that Ofcom would get immediate powers but full responsibilities in around 3 months time.

3.4 Discussion about whether the government would sacrifice the plans to sell part of RM Letters to a private company to get the Bill through.

3.5 Paul Hook concerned about the separation of POL, the effects on the post office network of the measures need clarity. Separation may break or weaken POL. Sure the outcomes some members want to see could be achieved without separation.

3.6 Malcolm Craig urged caution on language used on access criteria in amendments to the Bill.

4. Forthcoming Research

4.1 Andy Burrows spoke about the Outreach report and the main findings around poor information, opening hours and technological problems. Malcolm Craig concerned about promotion of outreach services.

4.2 Andy Burrows, Malcolm Craig and Mike Granville discussed anecdotal evidence about the removal of the PO 'lozenge' from partner or hosted service, causing local confusion. Mike Granville assured the group that POL want the sites to be visible. Malcolm Craig suggested a 'bus stop' with information on for mobile outreaches. Frank Thomas asked for Parish Councils to be involved more.

4.3 Malcolm Craig concerned about equipment failure. Mike Granville said that there were teething problems but that 99% of IT is reliable at outreaches. It's cutting-edge technology.

4.4 Ulrika Diallo asked if outreach vans were more vulnerable to crime than fixed locations. Mike Granville wasn't sure.

4.5 Claire McNulty outlined the basis of the second Outreach report due for release later in the year. As well as picking up issues around awareness and reliability it will see how consumer behaviour has changed since PO closure.

4.6 Gretel Jones asked if the report would bring out differences in age groups. Claire McNulty responded that the report aimed to get a range of ages so should be able to.

4.7 Colin Griffiths outlined the basis of a project on the NCP. Looks at quality of success of the communications materials. Awareness of outreaches may have increased, Malcolm Craig questioned in what areas this was, adding that it was most significant in areas where there are actually outreaches.

4.8 Gretel Jones added that complaints Age Concern had around consultation was that it wasn't a consultation. It was good though that Postwatch had discussions with POL in the pre-consultation period. Andy Burrows mentioned the Public Accounts Committee on the coming Monday following the NAO report which recognised that that NCP operated well and that the network is stronger as a result.

4.9 Gretel Jones announced that as a result of the Age Concern/Help the Aged merger, she will no longer be dealing with post anymore, making this her last POAG meeting.

4.10 Roger Darlington led tributes to the contribution that Gretel has made. Everyone wished Gretel well for the future.

Lunch Break

4.11 Richard Bates discussed the POCA research that CF is undertaking. Looking at who a replacement to POCA would be for, what it would be, whether POL could deliver it. Also it's contribution to the Post Bank debate.

4.12 Ulrika Diallo said the research missed a trick if it didn't include small businesses as they would use a post bank in future. Tony Herbert welcomed the research for looking at what particular groups need from banking.

4.13 Roger then asked other POAG members to update the group on the projects their organisations were working on.

4.14 Ulrika Diallo revealed that the FSB have 2 reports due soon. One on small business use of Post Offices another one a follow-up document on the Post Bank Coalition.

4.15 Frank Thomas urged everyone to encourage their individual members to get involved in the Parish Plans being developed.

4.16 Paul Hook mentioned the "Six Steps.." document released back in March 2009 and some new research on subpostmaster incomes. The NFSP's main focus will be promoting the recommendations within the "Six Steps" report and on looking at ways to achieve a Postbank, working wherever possible with the Post Bank coalition.

4.17 Tony Herbert talked about the CAB's campaign with Help the Aged/Age Concern to get Santander to provide all their bank accounts through the post office now that they own Bradford and Bingley and Alliance and Leicester as well as Abbey.

4.18 Ian Keating talked about the LGA's work with BIS about how the government use the Post Office as well as local government's use of the Post Office.

4.19 Mike Granville said that POL were looking at customer data on outreaches.

4.20 Malcolm Craig talked about work that the Commission for Rural Communities are doing on financial inclusion and digital coverage. When asked by Andy Burrows about the effects of the recession, Malcolm answered that the recession seemed to be hitting rural and urban areas equally, but that there were significant effects in market towns.

4.21 Ian Keating said that the LGA were also doing some work on the effect of the recession on high streets.

5. POAG Newsletter

5.1 Small discussion on the newsletter with the meeting seeming to favour a copy in between meetings but 'special editions' if there was an urgent story.

6. Any Other Business

6.1 On the Joint Statement, it was agreed that Matt Forde would circulate and then members discuss to reach an agreement.