

Cross-Party Group in the Scottish Parliament on Postal Issues

Minutes of the meeting on 24 September 2013 at 18.00

Present:

MSPs

Kenneth Gibson MSP (Co-convenor and Chair)

Hugh Henry MSP (Co-convenor)

External Organisations

Karen Jordan – Consumer Futures

Gemma Crompton – Consumer Futures

Sarah Beattie-Smith, Citizens Advice Scotland

Hannah Frodsham – Office of Fair Trading

Connie Hewitt – Post Office Ltd.

Sheila McCann – Post Office Ltd

Felicity MacFarlane – Royal Mail (RM)

Ian McKay – Ofcom Advisory Group in Scotland

Vicki Nash, Ofcom

Donald Ramsay, National Federation of Sub-postmasters

Apologies

Aileen Campbell MSP

Roderick Campbell MSP

Patricia Ferguson MSP

Jamie McGrigor MSP

1. Welcome

Kenneth Gibson MSP welcomed everyone to the meeting and introductions were made.

2. Minutes from the last meeting

The minutes of the meeting on 18 June 2013 were approved without change.

3. Approval of election of office-bearers

The office-bearers proposed at the group's AGM in June 2013 were re-elected with unanimous agreement in the presence of two MSPs. The office-bearers are:

Kenneth Gibson MSP: Co-Convenor

Hugh Henry MSP: Co-Convenor

Karen Jordan (Consumer Futures): Secretariat

Sarah Beattie-Smith (Citizens Advice Scotland): Treasurer.

4. Communications market report – presentation and discussion

Vicki Nash from Ofcom presented an overview of the findings of Ofcom's most recent Communications Market Report, published in August 2013. The presentation focused on UK-level data and Scottish data, drawing particular attention to areas where the Scottish findings differed from those found elsewhere in the UK.

Kenneth Gibson MSP thanked Vicki for her presentation, and the discussion was opened to questions. Hugh Henry MSP noted the apparently limited impact of stamp price increases on the number of stamps people reported purchasing. He asked whether any examination had been undertaken of whether the actual number of stamps purchased had fallen, as this would perhaps be a more reliable indicator of people's behaviour. Kenneth Gibson MSP agreed that the figures relating to Royal Mail's increased revenue did not correspond to the increase in stamp prices, which was suggestive of a reduction in the number of stamps bought. Ofcom and Royal Mail confirmed that to their knowledge no work had been undertaken to track the number of stamps bought prior to and following the price increase. Ofcom noted that their Communication Market Report would continue to track people's reported behaviour over time. Vicki Nash agreed to speak with colleagues about whether there was any further breakdown in the research of the demographics of people reporting the different stamp-buying behaviours.

Sarah Beattie-Smith asked if there was more qualitative information available about the finding that people in Scotland were less likely to report that they would feel cut off from society without post. Vicki Nash offered to find out if there was further information available from either the Communication Market Report or from Ofcom's recent User Needs research.

Vicki Nash confirmed the findings of the research were statistically relevant. Kenneth Gibson MSP noted the difference between the Scottish findings and other areas of the UK was quite pronounced, particularly in relation to satisfaction, and there was discussion about the potential reasons which may lie behind this.

Hugh Henry MSP asked whether Ofcom had undertaken any research into people's views on the privatisation of Royal Mail, or if it had begun to consider how stamp price protection may operate in an independent Scotland. Vicki Nash confirmed that neither of these issues was being considered by Ofcom as its remit related to the current regulatory framework.

5. Parcel delivery working group - update

Gemma Crompton from Consumer Futures provided an update on the parcel deliveries working group. The group was being jointly chaired by the Scottish Government and Consumer Futures, and included representatives of consumer organisations, retailers and parcel delivery operators. The group had now met twice, and was making good progress in developing a statement of principles for parcel deliveries. The Minister for Energy, Enterprise and Tourism had asked for the statement of principles to be developed by November 2013, and the principles were expected to be launched at the end of November.

Kenneth Gibson MSP noted that at a previous meeting of the group, it had been suggested that the group could invite the Minister for Energy, Enterprise and Tourism to a meeting to discuss this parcels work. It was agreed that the Minister should be invited to the next meeting of the cross-party group.

6. Post box density in Scotland

Felicity McFarlane from Royal Mail updated the group on the impact in Scotland of the recent change in post office density criteria. Felicity confirmed that Ofcom was satisfied that Royal Mail was compliant with the requirement for there to be a post box within half a mile (straight line distance) of at least 98% of delivery points across the UK, and for sufficient access points or means of access to the universal service to be provided for the remaining 2% of delivery points. Felicity explained that Royal Mail provided a post box within half a mile of 98.4% of delivery points across the UK, but that the national breakdown was 99% in

England, 93% in Northern Ireland, 95.7% in Scotland and 97.3% in Wales. Felicity confirmed that Ofcom was satisfied with the arrangements in place in Scotland for the 4.3% of delivery points not within half a mile of a post box.

Hugh Henry MSP asked whether there was any information on whether the number of post boxes had remained stable over time, or if the numbers had decreased or increased. Although removal or repositioning of post boxes was not unheard of, it was not known whether there had been any particular changes over time.

7. Themes for future meetings

Kenneth Gibson MSP asked the group for suggestions for topics for discussion at future meetings of the cross-party group.

It was agreed that a meeting of the group should be held in early December to discuss parcel deliveries, following the launch of the statement of principles for parcel deliveries in late November. The Minister for Energy, Enterprise and Tourism should be invited to attend that meeting.

Other topics suggested to be placed on the agenda for the December meeting were a presentation from Ofcom on their work programme for 2014/15, and a presentation from Post Office Limited on the new post office bank account.

Connie Hewitt from Post Office Limited (POL) suggested that POL could provide an update on the Post Office Network Transformation programme and Crown Post Office transformation at a meeting of the cross-party group early in the new year.

It was also suggested it might be helpful for the new Consumer Markets Authority and for Consumer Futures to provide updates of the work programmes for 2014/15 at a future meeting, once these programmes had been finalised.

8. Next Meeting

It was agreed the next meeting of the group would be held in early December, with a date to be dictated by the Minister for Energy, Enterprise and Tourism's availability, should he accept an invitation to attend the group. Ofcom's future work programme and the new post office bank account would also be discussed at this meeting. The meeting would be chaired by Hugh Henry MSP.