

To:

Secretary of State

From:

Martin Brebner

PORT

Room GRO

GRO

24 September 1998

ci PS/Mr McCartney
Mr Scholar
Mr Macdonald
Mr Baker CGBPS (or)
Mrs Britton PORT
Mr Sibbick CGBPS
Ms Syme COM
Sp Advs

POST OFFICE REVIEW: CONSULTATION WITH CWU

Issue

CWU's request for information about the Report of the Steering Group.

Recommendation

That the CWU should be offered a further meeting with you and/or Mr McCarrtney once you have had an opportunity to consider the report. (There may be merit in offering the CWU an official level briefing on the report before you see them again, but I doubt you would want to reach a decision on this before seeing the report).

Timing

Routine, though Mr Hodgson may ask you about this during the Conference next week.

Background/argument

The Steering Group's Report should be submitted early in October, and will contain issues which will require careful consideration by Ministers collectively. This will be at around the same time as Ministers will be considering issues arising from the Horizon Automation Project. It may therefore take several weeks for collective decisions to be taken and announcements finalised. During this time it would be unhelpful if Ministerial deliberations were to be undermined by excessive press speculation fuelled by having in circulation more copies of the Report than are strictly necessary.

Although the CWU have played a significant part in the Review, there is no need for them to receive a copy of the Report (or copies of any of the Working Group Reports which underpin the Report). Nevertheless, the CWU will be important players in taking forward the outcome of the Review, and we will wish to retain their co-operation by continuing the dialogue with them. They have hitherto respected the confidentiality of the detail of the discussions in which they have participated (with Ministers, with the Working Groups, and with the Consultants), although the knowledge that the minority share sale is a strong contender has clearly influenced their more general lobbying. The CWU are probably sufficiently sensible to know that the forthcoming discussions will not be the end of the road, and they will want to keep our trust for the detailed implementation stage. But clearly this is a matter of fine judgement!

Short of giving the CWU a copy of the Report, the options for involving them are:

- allowing a representative to come to the DTI to read a copy (under supervision to prevent copying) - CWU have suggested this, naming Roger Darlington, Head of Research, as a suitable person;
- giving the CWU a confidential briefing on the principal issues, at official level - in much the same way as they were briefed on the Consultants' emerging conclusions in July;
- agreeing to a meeting between Derek Hodgson and you (and/or Mr McCartney).

When you met CWU on 3 September, you agreed, in principle, to meet Mr Hodgson once you had received the Report. Such a meeting could be better informed if the CWU had been given a (confidential) factual briefing by officials in advance. This could extend to showing the CWU relevant extracts from the Report (but without their being allowed to take copies). Such treatment would need to be extended to the CMA if they so requested. There clearly are some risks attached to this, although since the CWU is well aware of the main arguments already, so the benefits of continued cooperation could well outweigh these. I recommend you decide the way forward on this after you have seen the report.

Other interested parties

In due course, similar issues about briefing other parties about the Report will also arise. The Post Office has been told that the role of the Steering Group is to report to Ministers, and that it will be for Ministers to decide whether it is appropriate to share the detail of the advice they receive. There is clearly a much stronger case for the Post Office to see the full report and make comments on the practicality and desirability of the Options from their point of view. But the Post Office have been rather more forthcoming in the press about their aims, and there might be a risk that they could (inadvertently?) divulge the Report's content if they were given a copy. Again, you will wish to consider on receipt of the Report.

The Post Office Users' National Council, as the statutory body representing users, whose future role will be touched on in the Report, will also need to be briefed at some stage (in

confidence), though there is probably no need for meetings with Ministers unless the Chairman so requests.

Other interested parties (see attached list) do not need to be briefed in advance of any decisions, but officials can write to them as soon as any announcement is made - in just the same way as we wrote immediately after the announcement of the terms of reference of the current phase.

GRO

Martin Brebner