

Rw 11/05.

To: PS/Mr McCartney
PS/Sir M Scholar
Mr Macdonald
Mr Baker CGBPS
Ms Britton CGBPS
From: Mr Brebner CGBPS
Mr Corry SpAd

CHRISTOPHER WOOLARD
PS/Secretary of State
Room **GRO**
1 Victoria Street
GRO

9 June 1999

1. ~~Mr Paul~~ 11-6.
2. ~~Mr Foy~~ 11/6.
3. ~~Mr. Langley~~ 11/6.
4. ~~Mr. Keene~~ (op/r)
5. ~~Mr. Churchyard~~ JH

MEETING WITH COLIN BAKER: 8 JUNE 1999

You were present along with Ms Anderson and Mr Corry when Colin Baker and John Perberdy of the Sub-Postmasters Federation called on the Secretary of State.

This was a long meeting, with frequently circular conversations where Mr Baker pressed the Secretary of State. This is therefore a record of the key points.

The Secretary of State opened the meeting by outlining the present position on the Horizon project, and noted that Mr Baker was participating in the working group led by Mr McCartney. He noted in particular that if automation worked properly there was a chance to reap a sizeable proportion of modernising government business.

Mr Baker said he was extremely grateful for the meeting with the Secretary of State and praised the working group. He noted his members concerns centred around the move to ACT and asked what the statement on Horizon meant. You said that it was a move to ACT commencing in 2003 and DSS aimed to complete this by 2005.

Mr Baker asked whether automation would help prevent loss of business from 2003/5. You replied that there were opportunities, first, to tie-up with the banks to provide banking services. This was already being done in part

without automation (Lloyds TSB, Co-Op). It also offered the opportunity to retain Benefit customers who wished to withdraw money in cash at Post Offices and the potential for increased footfall from non-benefit customers using the banking facility. Second, automation offered the gateway to modernising government services. The Secretary of State said modernising government could in particular offer substantial business. Mr Baker tried to get the Secretary of State to say that this would be sufficient to replace the loss of BA business, but he demurred.

Mr Baker asked if the Secretary of State could commit HMG to staying with the Post Office to pay benefits until contracts with the banks and automation were in place. The Secretary of State said that achieving this clearly had to be a goal in the forthcoming negotiations within government and there was a commitment by BA to stay until 2003/5. There was an incentive for all parties to work together to achieve automation and the banking contracts within this timetable.

Mr Perberdy asked was there the possibility that if the roll-out of the bar coded books system delivered sufficient BA savings, then they would reconsider ACT. Mr Baker asked what percentage of BA work might be lost under ACT. In terms of BA intentions and estimates, you suggested that Mr Baker spoke to them direct.

Mr Baker asked what size of network, if any, the Government was committed to. The Secretary of State replied that the forthcoming White Paper would spell out our commitment. Clearly the number of Post Offices would always be a dynamic question. But the Government was committed to a national network. *(Following the meeting the Secretary of State commented that the WP should make clear that the new POUNC should be able to comment directly to the regulator on the size and make-up of the network).* ✓

Mr Baker stressed that feeling was running high among his members that this was another move to ACT. You pointed out this was not history repeating itself. Real alternatives to sustain the network (banking, automation) were possible here. The Secretary of State concluded by saying he thought the breathing space could be used to find a solution all parties were reasonably happy with.

CHRISTOPHER WOOLARD