

Memorandum of Understanding (MOU) between Post Office Ltd and Postwatch in respect of the consultation process that will apply to the Network Change Programme.

1. Introduction

- 1.1 This document outlines the agreement between Post Office Ltd and Postwatch on the approach to be taken with area network change consultations, in the light of a prospective Government decision on future network policy.
- 1.2 The agreement covers high level principles for, and the respective roles of, Post Office Ltd and Postwatch during the area consultation process. Further detail will be developed between both parties once the Government announcement is known.
- 1.3 This memorandum is not intended to be legally binding.
- 1.4 Throughout the period of the network change programme there will be regular liaison between Post Office Ltd and Postwatch to help ensure the overall approach and spirit of this MOU is maintained. This document will be reviewed:
 - if the forthcoming Government policy announcement on future network policy states anything that is not compatible with the content of the MOU.
 - If, in the light of significant operational experience and clarity on the future of Postwatch, (and the timescale of transition to any successor bodies), changes are required.
 - if there is a failure by either of the parties to adhere to the principles set out in this document.

2. Overall principles of the area consultation process

2.1 The principles of the area consultation process are as follows:

- Government will have already consulted nationally and subsequently announced a policy of network change. The Government's announcement is given at Appendix This MOU covers the consultation approaches which will be taken during the programme activity to implement any changes as announced by Government.
- Area consultations will occur at an area plan level, and be conducted on a once 'over the ground' basis (this means that the programme of activity designed to implement the Government's policy will be undertaken at a defined time in a particular geographic area – the programme will not subsequently return to an area) . It is envisaged that there will be approximately 50 to 60 such plans across the UK.
- Area consultation will be about the most effective way of implementing Government policy in the particular geographical area.
- The success factors for an area consultation process are:
 - Change is implemented in a way that meets prescribed Government policy.
 - Customers and those who represent them are fully informed about the proposed change and have had the opportunity to contribute views on how it is to be implemented in the area within the requirements of Government policy.
 - Change is introduced in a manner which minimises, disruption and avoids inconvenience for customers (where this is within Post Office Ltd's and Postwatch's power)
 - The change maintains required accessibility and results in a more financially sustainable network for the future.
- The purpose of an area consultation and the respective roles of Post Office Ltd and Postwatch will be clearly communicated to all customers and stakeholders.
- Post Office Ltd and Postwatch will work together on their respective communications strategies and briefing materials with respect to these consultation processes.

- Post Office Ltd and Postwatch will jointly communicate the processes outlined in this document
- Post Office Ltd and Postwatch will endeavour to ensure that there are no unforeseen announcements or developments for the other party concerning the consultation processes for this network change programme.
- A separate consultation process will be conducted in each of the geographical areas within the UK, with each consultation following a consistent process.
- Post Office Ltd and Postwatch will conduct the consultation in a professional and co-operative manner, ensuring that the principles of confidentiality are maintained where appropriate.

3. The stages in the area consultation process and the respective roles of Post Office Ltd and Postwatch

Pre-public consultation

3.1 **Post Office Ltd** will provide Postwatch with background information and draw up first draft proposals that meet the Government's minimum access criteria (as announced in the Government's network policy decision)

3.2 Post Office Ltd will bring any issues or information that they have gathered in the construction of the proposal to pre-consultation meetings with Postwatch.

3.3 Over the course of the pre-consultation process Post Office Ltd will seek input from Postwatch with the aim of putting a practical plan into public consultation which helps create a sustainable network and minimises customer disruption.

3.4 Postwatch will discuss the initial proposal with Post Office Ltd maintaining full confidentiality.

3.5 Postwatch will provide input and advice on how best to achieve an effective set of changes to the network that is sensitive to customer needs, implements Government policy requirements and minimises

adverse customer impact. Post Office Ltd will consider these inputs as it finalises plans.

3.6 The aim of the discussions is for Postwatch to assist Post Office Ltd to develop a practical plan that creates a sustainable network which can be put into public consultation.

Public consultation

3.7 Post Office Ltd will ensure that consultation materials are supplied to the appropriate individuals and organisations, ensuring that the purpose of the consultation is clear from the correspondence. They will gather input, acknowledge the correspondence and respond as appropriate. Post Office Ltd and Postwatch are committed to further discussions regarding consultation communications appropriate to this change programme.

3.8 Consultation responses will be summarised and shared with Postwatch.

3.9 Postwatch will carry out checks on whether the appropriate individuals and organisations are being consulted, and work to ensure that the consultation process is being undertaken according to the agreed specification.

3.10 Postwatch will clarify to consultees the purpose of the consultation, and share issues or insights gained with Post Office Ltd, as they become known.

Post- public consultation

3.11 Post Office Ltd will produce a final summary of the issues during the public consultation phase and share this data with Postwatch.

3.12 A decision on a plan will be determined following review of consultation responses. This plan will be discussed with Postwatch (at a pre-scheduled meeting which can be cancelled if it is not needed), including an explanation of what consideration has been given to views raised during the public consultation process.

3.13 If there are individual branches where Postwatch feel that the full due consideration of consultation feedback has not been given or evidence emerges from the consultation that the proposal does not meet

Government's policy requirements, Post Office Ltd will conduct a 'further review' process with Postwatch for these individual branches.

3.14 Final decisions will be made by Post Office Ltd and formally announced.

3.15 Post Office Ltd will plan and implement the change activity, and assist customers and subpostmasters through the change.

3.16 Postwatch will consider the summary of responses provided by Post Office Ltd, other relevant specific issues and representations, and discuss the final decision with Post Office Ltd.

3.17 Where Postwatch identifies that there is an individual branch where the conditions apply for the 'further review' process, they will follow the appropriate process with Post Office Ltd.

3.18 Postwatch will assist customers to understand the final changes determined and alternative services available.

3.19 Postwatch will not have a veto on any of Post Office Ltd's proposals.

4. Timeframe for the consultation phases

4.1 Following Government's announcement of its national network policy. Post Office Ltd will inform Postwatch of the overall area plan schedule with relevant key dates, including the date at which an initial draft area plan proposal will be available for discussion with Postwatch (this is defined as 'Day 2' in the timeframe below, "Day 1" being the day that Post Office Ltd completes its preparation of an initial draft of an area plan).

4.2 During the period between Government's announcement of policy and a Day 2 for a particular area, when Post Office Ltd are planning initial proposals for the area, relevant information to assist planning will be sought from Local Authorities and Regional Development Agencies.

4.3 The timeframes outlined below are based upon working days from the date at which Post Office Ltd contact the appropriate Regional Postwatch Chair for an area with an initial draft area plan proposal (Day 2).

Pre-public consultation

4.4 **Days 2 – 10:** Post Office Ltd produces area plans and engages with Postwatch to develop the 'best fit' plan for the area.

Day 11: Post Office Ltd informs Postwatch of the "best-fit" plan it intends to proceed with to the contracting stage with subpostmasters.

Day 11-40: Post Office Ltd conducts contracting with agents based on the 'best fit' plan that has been developed, and makes contact with Postwatch where variations become necessary.

Day 41-55: Postwatch is informed of the final proposal and public consultation materials are produced. MPs (and devolved administration representatives) given advance notice of the plan in the week before it goes into public consultation.

Public consultation:

Day 56 – X: Public consultation will take place, (length of time to be determined).

Post- Public consultation

Day X + 3 weeks: The final decision making and further review processes involving liaison with Postwatch take place as required.

Day of announcement

+ 4 weeks from day of announcement: the minimum notice period before changes at a branch are implemented.

4.5. **Confidentiality:** during pre-public consultation, all information with respect to developing proposals will remain confidential. During post-public consultation, all information with respect to decision making on individual branches will remain confidential.

5. Further Detail on the Public Consultation phase

5.1 Public consultation will last for a period of and will be started by Post Office Ltd sending an explanatory letter about the area plans to

selected consultees (Appendix 1 contains list of consultees who will be contacted).

5.2 Additionally all branches affected by the changes will display information for the customers at the branch during the period of public consultation.

5.3 Post Office Ltd will not be consulting on the need for change, which will have been outlined by Government in their response to the national consultation. Post Office Ltd will consult on the most effective way in which Government policy can be implemented in that particular area.

5.4 The consultation will encourage customers to comment and will specifically ask for their views on, among other things, the following aspects of future service provision:

- Accessibility to the nearest available services given proposed changes
- Type of any proposed alternative service provision or 'outreach' outlet (for example a mobile post offices or part time post office located in a local shop or pub) including opening hours and days proposed

5.5 This list can be amended as appropriate in the light of the Government's announcement.

6. Further detail on a 'Further Review' process undertaken in the post-public consultation phase

6.1 The further review process is a method for Postwatch to nominate individual branches for further discussion.

6.2 This process will be embarked upon where Postwatch shows that, with respect to an individual branch, Post Office Ltd has not given due consideration to material evidence received during the public consultation in coming to its decision, or where evidence emerges from the consultation that the proposal for that branch does not meet Government's policy requirements.

6.3 The aim of discussions during the further review process is to consider the relevant material received during the consultation for an individual branch and to seek an agreed way forward.

6.4 Cases will be dealt with on an individual branch basis. However, if Postwatch nominates for discussion more than one case within an area plan then these can be handled concurrently within the same sequence of meetings.

6.5 The discussions will escalate through a series of stages as outlined below should either party feel this is necessary for full consideration of the relevant points to be achieved.

6.6 The stages in the process involve discussions between the following parties:

Stage 1: Postwatch Regional Chair and Post Office Ltd Network Development Manager

Stage 2: Postwatch non-regional Council Member and Post Office Ltd Regional Development Manager

Stage 3: Postwatch Chair and Post Office Ltd Board Member

6.7 At these discussions, representatives from either organisation can be accompanied by a colleague (member of staff or committee member). Advance notice should be provided where this is the case.

6.8 Post Office Ltd and Postwatch would aim to complete the further review process where possible within the 3-week post public consultation phase.

6.9 The aim is to achieve a resolution that is consistent with the principles set out in this document, and is therefore also satisfactory to both Post Office Ltd and Postwatch.

6.10 If no resolution of the case can be collectively determined between the Post Office Ltd and Postwatch representatives, the decision will be made by Post Office Ltd. Postwatch will not have a veto on Post Office Ltd's decision.

6.11 If an individual case has not been resolved within this 3-week period, this will not hold up announcements on decisions about the rest of the area plan unaffected by the particular branch proposal that is subject to the further review process.

6.12 Postwatch will receive advance notice on any decisions taken on individual branches which have been put into this further review process.

7. Further detail on communicating the final decision

7.1 Once Post Office Ltd has announced its decision, a poster will be displayed in the affected branch to notify customers.

7.2 Post Office Ltd will also write to selected consultees (Appendix 1 contains list of consultees who will be contacted) to summarise and respond to key issues raised in representations to the company, and to explain whether the original plan is to be amended as a result of the feedback.

7.3 The decision poster, and letters to selected consultees (as above), will constitute notice that the changes will be made.

7.4 The changes will be implemented no earlier than 4 weeks after the decision is announced, other than in exceptional circumstances that have been agreed with Postwatch.

Signed on behalf of Post Office Ltd

Signed on behalf of Postwatch

Date:

Date:

Note -

Postwatch is the fully independent consumer watchdog for the postal services industry in the United Kingdom, established by the Postal Services Act 2000. Postwatch has a statutory duty to protect and promote the interests of customers of postal services.

Postwatch was set up to ensure that post office® branches, Parcelforce, Royal Mail and any competing postal providers, give the best service possible to the customer.

Appendix 1

List of Consultees

The list of consultees will include:

Postwatch;

The local Member of Parliament/ Scottish Parliament/Welsh Assembly/Northern Ireland Assembly;

Unitary Authority;

County / District Council as appropriate;

Parish Council/Community Council (Wales);

Rural Community Council (where applicable); local Chamber of Commerce;

The National Federation of Subpostmasters;

Regional Development Agencies;

Any local Strategic Partnerships. Other bodies are welcome to comment on proposed changes to the network, in response to posters placed in branches; and

FSB

NB. Correspondence sent to local authorities will be sent for the attention of the Chief Executive