

## Order of the Day

### 46. The Post Office post-COVID – General Debate

*The Chairman of the Economic Policy Review Committee (Mr Robertshaw) to move a General Debate on the Second Report of the Economic Policy Review Committee for the Session 2019-20: The Post Office Post-Covid [\[PP No 2020/0149\]](#).*

**The President:** Hon. Members, we enter the final stretch of what has been quite a long sitting, and Item 46 is the first Item to consider: a General Debate on the Post Office post-COVID.

10 I call on the Chairman of the Economic Policy Review Committee, Mr Robertshaw.

**The Chairman of the Economic Policy Review Committee (Mr Robertshaw):** Thank you, sir. Can I take my jacket off?

15 **The President:** Yes, please remove jackets if you wish.

**Mr Robertshaw:** I am doing a Mr Shimmins, Mr President!

20 **A Member:** Have you got a seconder? *(Laughter and interjections)*

**Mr Robertshaw:** Thank you, Mr President.

Thank you to Hon. Members of my Committee. I would like to particularly thank Mr Baker, who I was going to say has gone to pastures greener, but in the light of Mr Shimmins' strong views on the matter, he has gone to perhaps 'pastures brownfield', I think!

25 To Mr Moorhouse, a stalwart champion of the sub-post offices who has regularly, as we all know raised the flag on their behalf; and I also welcome Mrs Sharpe, who, despite her reservations about joining an Economic Policy Review Committee, I can assure Hon. Members, is already contributing in a very interesting and detailed way and I thank her for her early interest.

30 So let's get down to it. Why a General Debate? Why, as one of two Members have already asked me, Mr President, have we not got clear recommendations again in the Second Report? The answer is simple. There is little point in doing so until Tynwald expresses its settled will on the matter.

35 Let me argue this point. For a long period, the Post Office was successful – a very long period – a very trusted brand, which regularly contributed to the Treasury. Then as we all know, progressively the world changed. Letter post levels have progressively imploded and online purchased parcels have grown remorselessly. As a consequence of this, the Post Office slipped into loss-making or near loss-making.

40 So, going back to that time, what was Tynwald's initial reaction? And now we are going back a few years. The buzz-word was 'corporatisation' – make the Post Office compete. In response to what appeared to be the direction from Tynwald, the Post Office set up a board and senior management that started to prepare for such an eventuality; quite reasonably in that action. Then Tynwald said no, we do not want you to corporatise.

45 Since then, Hon. Members will know that we have had a long list of exchanges of various types on the floor of Tynwald, which occasionally have gone near to being bunfights, and sometimes perhaps even towards the petty. In truth, Tynwald has throughout, unfortunately, rather than strategic and proactive, been reactive. So, rather than act as we should have done, instead, in full Pontius Pilate mode, we attempted to wash our hands of it – we said no, this is not for us; the Post Office must produce a strategy on its own.

50 I remember well at the time of one of our debates that one of the Members of my Committee, now a Minister, said no, we should not be doing this. What he said then – and he was correct then – is that this is a strategic matter. The future of the Post Office must therefore lie with the Council of Ministers – in effect, a body, or a body appointed by the Council of Ministers, to define the strategic direction.

55 As Hon. Members will recall Mr President, this was not to be. Since then, the Post Office has done what it can and has produced a strategy as best as it could. I congratulate them for that. But in effect, we abrogated our responsibility and pushed the Post Office into a silo, in this day and age. We left the Post Office effectively to go hang. But the truth is this: in reality the Post Office is a child of long-standing political will, of that there is no doubt. It was political will that there should be an exclusive privilege linked to a universal service obligation; we decided that, 60 or it was decided prior to us taking it over, but we adopted that principle.

It was political will that the sub-post offices emerged as providers for many, many of the Government's social obligations and services; we decided that. As we said in our First Report – and I would ask Hon. Members in engaging in this debate, if you would consider both the Reports because they do sit together – we said on page 5 of our First Report:

Striking the right balance between the commercial and social obligations to be placed on the Post Office is a complex question for policymakers in every jurisdiction. Moreover, as the political, social and technological environment changes, the settlement between the community and its Post Office must be revisited in every generation.

The value of a Post Office is not measured simply by its own financial performance. Its social value must also be recognised.

65 In fact, in the independent report on our Post Office in 2016 by Mr Toime, he wrote this:

Where there is an argument to change expectations there must be clarity in the process for making the case. It may not be the Post Office's job to define these expectations but it must make clear the implications of social policies... Where issues are raised that ask for change in the social obligations then these need to be debated at the level decided by Tynwald ...

We have not done that.

That is why we said in our First Report:

The Post Office is not in a position to develop enhanced public services on its own initiative. Rather, the Post Office needs to work in conjunction with the Government to generate a new vision and operating model.

We have not done that.

70 Our First Report went on to discuss some key issues, but was not in a position to bring forward recommendations in the absence of a settled will, a vision, in this Hon. Court and for exactly the same reason, our Second Report is again unable to bring forward such recommendations. Nonetheless, in an effort to assist – and that is what we are trying to do – the Committee brings forward its considered opinions today in the hope that using the new formula of a General Debate, a consensus may start to emerge after many years of reactionary politics 75 on the subject.

Should it prove possible to move towards a shared vision, then this would very quickly open up the way forward, and ideally this would be achieved, as the Hon. Member for Ayre and Michael has previously said, through the Council of Ministers, so we repeat that need again.

80 Your Committee would suggest to the Council of Ministers that in order to migrate to that vision, the key interested parties – that is the Post Office itself, the sub-post offices and the Social Security Division of Treasury – should come together as a Special Forum under an independent Chair to establish three things: (1) what the Post Office itself needs to achieve a sustainable future; (2) what the sub-post offices need to do to emerge as a reformed

85 organisation, again, with a sustainable future; and (3) what the Social Security Division of Treasury is identifying as the best way to deliver a range of services.

Your Committee also hope that there would be other important contributors providing evidence to the Special Forum, such as the Department for Health and Social Care, as they move towards the new Manx Care model and regionalisation; and also, contributions from the Cabinet Office as it pursues the desire we all hold to personalise service delivery, and which the new  
90 Minister has articulated himself on a number of occasions since his appointment, and I commend him for that. And, indeed, other interested parties who are currently searching for methods of delivering enhanced services in our community. There are a number of those.

So why do we suggest this? What is clear to your Committee is a need to acknowledge that although the sub-post office services and the Post Office itself are symbiotic, they are actually  
95 different functions, something readily acknowledged in other jurisdictions who have already given these two elements separate identities. We hope that a Special Forum would wish to focus on the top three strategic priorities we have identified in our Second Report.

The first one, the obvious one, is a sustainable mail service. To repeat what I said earlier, we have seen a significant decline in letters and a growth in the parcel business, and in fact there  
100 was an extraordinary change in circumstances once COVID came in, because we all saw our postmen and women rushing around with a significant increase in their parcel deliveries.

But we have an outdated legal framework; we describe this in our Second Report in paragraph 35:

If Tynwald wished to reform the exclusive privilege to protect the Post Office, decisions would be needed on how to define the segment of the market from which other providers were to be excluded. There seems to be little merit today in maintaining the distinction between 'letters' and other items.

We expected as a Committee and we received, as all Hon. Members did, a series of letters  
105 from the private sector couriers. But on this one I am going to be blunt, Mr President: Tynwald really needs to make its mind up here. We say we encourage a living wage. I think we have just increased it or have announced an increase to £10.19. Well, some of the sector who wrote in arguing their case to you boasted the fact that they were paying the minimum wage, and some are on zero hours. Let me really be blunt: if you really want to push the postmen and women out  
110 into an over-competitive, current, private sector market, then they must compete if the Post Office is not to lose money.

So, we have to make a decision in here. Do we want a first-class postmen and women's service, to engage in personalisation of service delivery, or do we want to drive down to the bottom? It is our decision. We cannot walk away from it and pretend it is nothing to do with us,  
115 as we have done. The duty and responsibility to make that decision lies *here*.

Other factors could very soon impact on the markets, such as Amazon deciding that it wants its own service and to sweep everything else aside. We would be throwing away a service that has the potential to achieve a great deal. I accept absolutely that there is work to do in this space to get the balance right. But we have suggested a starting point in our Report and we  
120 would ask Hon. Members to consider it carefully.

Turning to our second strategic issue of personalisation of service delivery, digitally excluded and financial services: first of all, personalisation of service delivery – at the sub-post office. You will perhaps have read in our Second Report some of the comments that Mrs Palmer made, and here I am talking about personalisation of service.

... in looking after these people week after week you build relationships and you start to understand the needs of your local community and society. So I think that, yes, it is cash-in-hand but it is so much more than that. It is cash-in-hand for the individuals, but it might be the only person that somebody speaks to that week.

We know their families. There is sort of a little network that goes on where Mum or Dad comes in and then daughter might come in a couple of days later, and we can tell them we have seen them and that they are okay. The same with neighbours and generally people who need somebody to support them. I do think that we fulfil a role like that.

125 It is clear from that – isn't it? – that as we move further and further into a digital world, that is the sort of environment that we want to maintain to ensure that the digitally excluded can be brought in and helped and assisted wherever it is possible to do so.

Moving on from the sub-post offices to the MiCard: now, when I say the MiCard, I know there is a temptation to want to say 'Oh yeah, cards are old-fashioned and everything', but I do not think I am talking about cards *per se*. There is my credit card, but there is the authority to do things on a phone. So when I use the word 'MiCard', what I'm actually saying is a methodology of authorising actions to be taken on the behalf of the holder of that authority in regard to Government Services.

135 I was smiling to myself the other day: I was talking about service access cards 25 years ago, before I came into Government, and I was saying, 'We really should have the capacity for the citizen to authorise actions by Government.' And here we are 25 years later, still trying to achieve it. God loves a trier, you know! I still believe that is *absolutely* the way forward.

Your Committee in both our Reports argued the case for a major extension of the use of the MiCard or the authorisation system. In our Second Report, we also discussed the growing proliferation of other cards across Government Departments, but were unable to establish in the time we had the costs of each; common sense, customer convenience and good business practice suggests there should be one. That way, we get much closer to the concept of 'tell us once'. We stand by 'tell us once'. We said that is what we believe in. We say that we believe in the personalisation of service; we have the opportunity to do it and we do nothing.

145 Your Committee does not understand why the focus has been on how much the card costs, instead of how much it could save in many ways. The latter looms large over the former, but because we have still not formed that vision that I keep talking about for the future, we have not been able to see the opportunities. We are still thinking in silos.

We all listened, Hon. Members, very carefully to the Treasury Minister on Tuesday as he took us through the Purple Book. We must agree, it has never been more important for us all to think differently. Frankly, the opportunities before us, if we think differently, are enormous. They are endless.

155 Finally, on the subject of personalisation of service delivery, I want to talk about our excellent postmen and women. Now, I am going back to my phone again. As a very young man – a long, long time ago, 51 years ago, when I first joined the Army – I had reason to be engaged in the automatic data processing centre in Worthy Down to understand how the process of the Army translation from paper system – which we are doing 50 years later – could convert to computer systems. There was a huge building – it probably would be, I don't know, four or five times the size of this space, but even higher because it was four floors. The sort of environment you went in where you had to wrap yourself up as if COVID had just appeared, to keep it clean. But the fascinating thing is the amount of computer capacity in that huge building was probably about the same as my phone. (**Mr Ashford:** Less.) Definitely, the Minister – who is sometimes wrong, but never in doubt – tells me, categorically, that it is less. So, I take your word, Minister.

165 So, this brings on an interesting thought process about maintaining the value of our postmen and women. In this, I have had the pleasure of discussions with the Chief Executive of the Post Offices, who is with us this morning; and that is, what fabulous opportunity there is for our postmen and women to, with a very powerful device in the future, be able to engage with citizens at the door in terms of transactions of all sorts. A panoply of opportunity opens up when you begin to think about it, but that again is personalisation of the service delivery. So, that really is the personalisation side.

175 I want to touch on declining cash because again, COVID has significantly impacted on that matter, as we all know. I mean, at one stage you could not get people even to touch cash. But, before we brush aside the whole issue of, 'We don't want cash, it's yesterday,' etc. – forgive me if I have already said this in the past – Sweden went hell for leather for total digitalisation of their system; and then they sort of, bang, hit a wall, because they realised that cybersecurity

threats to Sweden would result in a situation where everything could crash if that happened. They started stepping back in a strategic sense and made sure, or are now making sure, that there is the retained capacity, in a strategic sense, to use cash should something happen.

180 Now, it is terribly important that we do not underestimate the importance of preparing for things that may not happen that we do not want to happen, but do happen. I remember, last time I spoke about black swans, I got told off in the Court for being a doom-monger merchant, and that was before COVID hit. So I think we had better be very careful about not preparing ...

**The Speaker:** What are you going to do next time? (*Laughter*)

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**Mr Robertshaw:** Nothing! The Treasury Minister is looking at the ceiling now!

But the point is you have to prepare for the unlikely. That is our duty, strategically our responsibility.

190 Then we have the matter of reduction in banking facilities, which is inevitably occurring at the present time, and I am going to leave that one, because my esteemed colleague on the Committee, the Hon. Member for Arbory, Malew and Castletown is going to speak to that subject, about savings plans and the like. But I will stop there because he will take up the reins after me.

195 The third strategic issue is capability to apply appropriate checks to items entering the Island. Now, again it is a highly unlikely thing for it to occur that we have a real crisis in that area with regard to, for example, the loss of the VAT deal, which would place the requirement on us to assemble our own sales taxes. That would mean all parcels would have to be taxed on the way in. Now, we do not want it to happen and we hope it does not happen, but how stupid will we look if we do not prepare, in some way, in the event of that happening! So, in that eventuality, you need a highly competent sorting office, and you need a system whereby most of the small retail parcels go through it. So QED, that is a strategic necessity. We do not walk away from that one either.

200 If I can now move on to the Special Forum – if it was decided that that is a way forward, much would have to be carefully considered informing the Special Forum, but the structure and governance issues loom large. The Post Office could be said to have three masters currently within Government: the Council of Ministers, the Treasury and the Department for Enterprise. Your Committee believe that this needs to be reviewed as it is clear that the Post Office itself and the sub-post office network have this dual role, which include social obligations and the development of public services, but this puts the Department for Enterprise in a difficult position because they are about enterprise, about business in isolation. They have not got to consider the social dynamic, and are they actually set up to do that? So is the Post Office reporting in the right way? Your Committee suggests no, it is not, and thought needs to be given to that.

205 As I mentioned previously as well, we would also need to consider the relationship between the Post Office and the sub-postmasters, and that really needs to be reset. As you are probably aware – I think you are aware – there are a variety of different contracts between the ... which are essentially private enterprises in their own right – and have a variety of different contracts with the Post Office. But we have given the central Post Office this blunt duty to go forth and not lose money and make some. And if it is the case that the sub-post offices do not make money, then it is in the direct and specific interest of the Post Office to push back on that. But it is not their role because we have not given that role to the main Post Office about social equity and all the social obligations that exist. It is not their role. So it is little surprise, then, that there are tensions, and that is why you need to remove the sub-post offices from that arrangement and deal with it in a different way.

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225 So all in all, we currently have an over-complex web of relationships, and a new relationship or set of relationships need to be developed; ones that take proper account of both social and financial obligations of the Post Office as a publicly owned asset.

Mr President, in conclusion – you will be glad I am not speaking for too long – the COVID crisis has done many things. But one factor is clear, and other Hon. Members have already alluded to it, I think in this session. It has had the effect of accelerating time, where elements of the future have come rushing in on us; where both the people of the Island and its Government had to change almost overnight, with both responding in a remarkably good way. We should take what we have all learnt from this and form a vision around the importance of personalising service to the individual, and hopefully recognise the crucial role that both the Post Office and a remodelled sub-post office service could play to everyone’s advantage in the future. To look at not what was, or to some degree what is, but rather what could be.

Mr President, I commend both our Reports to this Hon. Court and I really do look forward to the contribution on this important matter from fellow Members.

Thank you, Mr President.

**The President:** Thank you, Hon. Member.  
Hon. Member of Council, Mrs Sharpe.

**Mrs Sharpe:** Thank you, Mr President.

I am pleased to second the Hon. Member for Douglas East, Mr Robertshaw, in presenting this latest report from the Economic Policy Review Committee before this Hon. Chamber.

As you know, Mr President, I have just had the honour bestowed upon me of joining the Standing Committee. So I cannot take credit for all the hard work and research which have already been done by Mr Robertshaw, Mr Moorhouse and the former Member, Mr Baker which is contained in this Report. But what I can do, now that I have applied my mind to concentrating specifically on this subject, is to give my observations on what is a highly complex conundrum which is being faced not just by the Post Office in the Isle of Man, but post offices all over the world, and that is how to balance financial and social obligations in an organisation whose traditional *raison d’être* has been gradually eroded away; or maybe as the Hon. Member for Douglas North might say, the cheese has been grated away, because the letters are drying up, they are disappearing.

Now, I have heard it said over the past few days that this Committee should have come forward with a set of clear recommendations on exactly what the Post Office needs to be doing in order to get itself out of this current situation. But looking at the history of previous Tynwald recommendations, this is exactly what this Hon. Court has sought to do in the past and it has not worked – as the Hon. Member for Douglas East so eloquently and painstakingly described.

That is why I absolutely agree that we need a Special Forum, chaired by an independent person, which would give the Post Office board, the sub-post offices and the independent carriers, I would argue, the opportunity to submit their views. Crucially for me, this Special Forum would also include people who have a broader global perspective on the potential future use of the Post Office – people such as Cormac Russell, for example, who visited Tynwald two years ago at the invitation of the Hon. Member for Douglas North Mr Peake to speak about Asset-Based Community Development. One thing which Cormac Russell said especially stuck in my mind. He said: ‘Whatever you do, don’t lose your postal network because it has a value beyond just the letters and the parcels, and it’s a network which other countries are actually trying to build.’

As I said at the last hustings, I see this as a system of pipes. We have a wonderful system in the Isle of Man whereby in three to five days every single address on the Island can be visited by a postal worker. Currently, what flows through the pipes is drying up – letters are drying up – but that does not mean that we still cannot use the pipes to carry other things. Some of those things may not be objects, but there might be information, feedback, friendship and empowerment.

If that sounds a bit airy-fairy, Mr President, I would ask you: what is one of the biggest problems facing the Isle of Man over the next 50 years, apart from viruses, global warming and

280 the pensions' deficit? What is the great tsunami which all rich nations will have to find new ways of dealing with? (*Interjection*) It is the growing number of people aged over 65.

We have already discussed in the past in terms of pensions, but the fact of the matter is that in 50 years' time, there will be 8.6 million over-65s living in the UK. That is a population the same size as London. It will be no different in the Isle of Man. This sizeable group will be demanding that its needs are met.

285 Since 2013, a company called Call & Check has been running in Jersey in connection with Jersey Post. Postal workers call on a client at a cost of £6.75, which is either paid by the client or their family or the Government. The postal worker asks a minimum of five questions which are entered into a handheld device which sits on an IBM cloud platform. The answers to the questions are shared with whomever has the client's permission – GPs, family members,  
290 pharmacies – and services are then triggered by local authorities if necessary. The system includes delivery of prescriptions, shopping and all clients have access to social gatherings.

This award-winning system – and during the first three weeks of lockdown, they delivered over 8,000 prescription medicines – applies not just to elderly people but to people who have just come out of hospital, vulnerable adults and people with disabilities. In a survey, 93% of  
295 clients reported that they enjoyed receiving their regular visits from postal workers. Combating the physical, psychological and emotional effects of loneliness is also a real benefit of this kind of system, which has also operated in France and in Japan. There is no reason to my mind why postal workers – or perhaps in future they might be trained as community health co-ordinators – could not also deliver a mobile library service, a time bank, carry out health checks or even act as  
300 community first responders. I particularly think that health checks and health advice given by trusted postal workers – and they would have to be trained in this – could play a vital part in helping make the Isle of Man's future integrated health care a success.

As the Hon. Member for Douglas North, the Minister for Health and Social Care, Mr Ashford has often stated, for too long that our health care system has been a *sickness* system which has  
305 concentrated on fixing people's acute problems in hospital, rather than helping people lead healthier lives in the first place. I am going to stop quoting the Minister for Health and Social Care now, because I did so yesterday and I am sure he is really starting to get irritated! (*Laughter and interjection by Mr Ashford*) But imagine if early symptoms of type 2 diabetes could be nipped in the bud. Early symptoms of heart disease, cancer and depression could be identified at  
310 a local level via a friendly face. Perhaps someone who is showing signs of depression might be encouraged to join a local club or to take regular exercise, which itself is proved to be as effective as antidepressants in cases of low-grade depression and anxiety.

What about people on the autistic spectrum who have high intelligence levels but are unable to operate in the normal workplace? What about people with learning difficulties or other  
315 disabilities which prevent them from joining the run-of-the-mill workforce? We have a fantastic facility at the Tall Trees Resource Centre here in the Isle of Man, but not everyone wants to work with wood, plants or food. Couldn't some people who currently fall between the cracks find fulfilling work within a future-style Post Office network, going on visits alongside postal workers, helping to strengthen communities?

320 I can also see a system such as Call & Check playing an important role in lessening the problems caused by absence from work. The main reasons given are always stress and musculoskeletal problems. Again, a friendly visit from a postal worker a few times a week leads that person towards doing their physio exercises or joining a local social group might, at £6.75 a visit, be more cost-effective to Government than leaving the person to flounder on the sick.

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**The Minister for Health and Social Care (Mr Ashford):** Would the Hon. Member give way for a moment?

**Mrs Sharpe:** I will.

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**Mr Ashford:** Thank you, Mr President. Can I thank the Hon. Member for giving way.

As the Hon. Member is actually a colleague of mine in DHSC, will the Hon. Member acknowledge that there have been talks with the Post Office around doing precisely that via DHSC, so a Call & Check service. (**Mr Thomas:** Hear, hear.) It is still early days obviously in terms of us engaging with the Post Office, but would the Hon. Member acknowledge that those conversations have begun?

**Mrs Sharpe:** Thank you, Mr President and the Minister there.

Yes, I would like to confirm that that is true, and I really do hope that these talks do come to fruition.

The Report seeks to suggest ways in which sub-post offices can be, for want of a better word, preserved. Whilst I realise that you cannot fight the tide of digital progress, and I am one of those people who wants to be able to pay for my vehicle licence online at midnight, rather than having to go into a post office, there is still much social value to be found in sub-post offices. Whilst I am not suggesting that we try to force round pegs into square holes, a Special Forum would allow consideration of how the relationship between sub-post offices can be reshaped. It would allow consideration of exclusivity, of the use of MiCard, of savings plans – all subjects which I know Hon. Members are itching to talk about.

So I believe this is the right thing to do to open up the subject of the future of the Post Office for consideration of Members, and I look forward to the rest of the debate.

Thank you.

**The President:** Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

From my perspective, paragraph 57 is possibly the most important in the Report. In 2017, the Cass Business School recognised potential for the UK sub-post office network to become centres of financial services, suggesting some financial services need to be delivered close to where people live. On Tuesday morning, I made reference to the National Savings in the UK; they provide around 10% of UK government debt requirement.

The Isle of Man Post Office is a trusted brand, and is in desperate need of new bolt-on initiatives that will attract more customers.

The Post Office already has banking capacity. In Castletown, Lloyds Banking accounts were recently added. The Report contains reference to initial inquiries to the FSA about this option.

On Tuesday it was suggested a banking licence would be required. However, the letter dated 23rd March clearly states there is no requirement for the Post Office to seek a licence from the FSA to undertake such activity. Furthermore, the Financial Services Act 2008 does not apply to that activity. A simple saving scheme is a realistic option. Perhaps in the first instance, an annual bond offering a fixed interest rate in helping out our Treasury Minister.

The Treasury Minister is very cagey about some details of his proposed borrowing, specifically interest rates. That could be a costly secret. National Savings products offer just over 1% and dominate the best savings accounts leagues on the adjacent island at the moment. Over 60% of the top 10 accounts are linked to National Savings. There is a real desire to back the Government, to back the economy, and to get a fair return on savings. The people want this, not some spivvy debt instrument. *(Laughter)*

In this modern, post-COVID economy, cash remains important. Around 10% of pensioners still receive their benefits in cash. That figure has remained relatively constant despite challenges faced in areas such as Ballasalla.

Some businesses also remain cash based, despite COVID-19. The Post Office can assist in this area, with ideas such as the cash transfer system. That should be expanded. It is something traditional banks find increasingly unattractive. Cash, as the Chairman suggested, also has the



potential to be a key backstop if there was a successful cyber-attack, a fact referred to in paragraph 57, identified by the Cass Business School as a real possibility.

385 A Special Forum is suggested; a simple but realistic option to ensure that all the right stakeholders are at the table and real solutions can be found in areas such as savings, the exclusive privilege, and other key functional areas.

Thank you, Mr President.

**The President:** Hon. Member for Middle, Mr Shimmins.

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**Mr Shimmins:** Thank you, Mr President.  
I think I will take my jacket off. *(Laughter)*

**The Speaker:** No red braces.

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**Mr Shimmins:** Sir, I think we understand the context to this debate, so it is very helpful to have the debate. Mr Robertshaw set the scene, I think: we understand that the parcels business has expanded, and that is good news for the Post Office. There is more demand from their customers and this is driven by, of course, online shopping, which is supported by the technology change that we have all seen. As Mrs Sharpe said, unfortunately the letter business and sub-post office transactions are decreasing. This is driven by reduced customer demand and technology. So, that is the context which we are looking at.

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I was interested in a number of Mr Moorhouse's remarks. In particular he talked about the desperate needs to provide bolt-on services. I query, really, is that the kind of underlying mission of the Committee – that desperate need to provide bolt-on services – and is that the right approach, I guess, for a Tynwald Committee looking into this matter?

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But overall, what I would say is businesses must adapt to meet changing demand. That is a very easy thing to say, Hon. Members. It is actually really hard to change, especially when you have got lots of politicians involved, I would suggest. Many politicians have got perhaps ulterior motives, shall we say, perhaps looking at their constituency issues, rather than the national interest. I think that, sometimes, clouds this debate. It certainly has clouded debate in the past, in my view. But overall, I have enormous sympathy for the Post Office in this very difficult situation, and there are some very hard-working, talented people who are wrestling with this challenge. I do question whether we are actually helping. I will say that right up front.

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Personally I feel I have been very supportive, on a number of occasions, when the Post Office Chairman has been subjected to co-ordinated attacks in this Court, including from some of the Members of this Committee and some of the former Members of Committee. They were demanding that some post offices remained open, despite what we know; the absolute decline in customer demand and footfall. I guess this Report is seeking to provide input and stimulate debate about the future. So I am happy to get involved in that, because I recognise how important this is.

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I was slightly concerned about the Report: it looks at it from a certain perspective, but I question whether or not this really is a holistic review. There are a number of omissions from the Committee's Report. The Committee did not meet the private sector parcel operators. It would have been helpful, I think, for the Committee to understand their perspectives, particularly given some of the proposals.

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I am concerned about distorting the market by restricting competition. This might appear initially attractive, but potentially has considerable negative consequences. So introducing an artificial regulation so that only the Post Office can deliver small parcels feels an extraordinary step which I struggle to support, especially when the Post Office parcel volumes are really booming – things are going really well in the parcel business. Why would we want to introduce this regulation?

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I guess, just to try and illustrate this point, I would like to ask the Chairman of the Committee how he would feel if the Noble's Hospital laundry just decided to expand its business into the private sector? Potentially they might see some technology change, which meant they did not have to wash the sheets as often, so they have got capacity. I guess the existing laundry operators in the private sector might not be best pleased, but they would try and compete with this development. They would innovate, potentially. They would look to providing a more responsible service to the private sector laundry clients.

But after a while, Noble's wants more business because they are seeing this as a way to generate cash to support other things at Noble's Hospital. It is an understandable thing to do if you are running the laundry business and it is going quite well, you have picked up some private sector customers. So what do you do? Talk about the wider benefit that Noble's can provide, which I do not think we, in any way, dispute; we all value Noble's. And then you promote regulations whereby all napkins and pillowcases on the Island, they must only be laundered by the state-run laundry at Noble's Hospital. But the sheets, the bigger items, they can stay with the private firms.

So how do the hotels react to that? Well, they are really scratching their head at this really surprising development, because at the end of the day this is adding complication to their operating model. So they say, 'Actually we don't have the time to split up the pillowcases and the sheets – are you mad? Don't you see how busy we are? – to send it to Noble's Hospital because you have changed the law, the regulations that make us do that. So, we are going to send *all* the laundry to the private .... to the Noble's Hospital public operation.'

**Mr Robertshaw:** The other way is better!

**Mr Shimmins:** So, how did you think the private laundry firms now feel? I think, what I have heard is and what I think they might feel is they would be worried about making their staff redundant. They would be worried about the business that they have worked incredibly hard over the last few decades to build up.

That is how the private parcel operators feel right now, Hon. Members. So I think we do need to be wary of ongoing distortion of the market, and I am also wary of ongoing taxpayer subsidies for services which are declining and being replaced, and customer demand is changing. I think once you start down this path, it can be quite a slippery slope, just as my general observation.

During the COVID crisis, we saw hundreds, if not thousands of benefit recipients switch from MiCard to direct credits in a bank account. This is an entirely sensible thing for them to do in the circumstances at that time. What was interesting is the feedback from many of these people was that they did not know they had that option, because when they were put onto MiCard some time ago, it was restricted. That is what we offered, because we wanted to prop up the sub-post office network. Once you start down that line Hon. Members, it has unforeseen consequences. So I would suggest, be wary of this type of approach. We should give the customer the choice, rather than interfering and distorting the marketplace.

I was very interested in Mr Moorhouse's comments about financial services and spivs. (*Laughter*) I was not entirely sure who they were aimed at; but it is interesting because in the United Kingdom, the Post Office – which of course, across, is a private company – is not a state-owned entity with constant interference from politicians. The UK Post Office provides savings accounts. Well, it kind of does, because it is not the Post Office that does it; it is the Bank of Ireland that does it for the UK Post Office. It is what is called 'white labelling' in financial services. Why is the Post Office in the UK doing that? It is actually incredibly expensive to set up a new savings organisation. It is much more effective to partner with somebody else who has already got the kit, the IT systems, they have got their processes, they have got the staff to process it. So I would suggest that the Committee might wish to consider how much it would cost to do that. That is multi-faceted in many ways. There is obviously an implementation cost, but the ongoing running costs of that in terms of expanding into that marketplace.

485 I think the Committee might also wish to consider the impact of this type of initiative and, I understand, a desperate desire, which I heard – ‘desperate’ was the key word, I think – to add bolt-on services: what impact would that have on the private sector savings providers here? What impact would that have on the Manx Credit Union, which we have spent a lot of time and energy supporting to help perhaps the more vulnerable in our society?

490 I would also caution Mr Moorhouse, and I know he is very interested in this area, but actually, one of the impacts of the low interest rate environment is that savings businesses are really difficult to run well. The margins are really tight. You need high volumes. So if you look at most models –

495 **Mr Moorhouse:** Would you give way?

**Mr Shimmins:** Yes of course.

**Mr Moorhouse:** Thank you. In terms of the idea, it is just a very basic product, possibly a savings bond in the first instance. So, we recognise the cost, we recognise everything else, but we are only looking at something simple, very straightforward and relatively cheap.

Thank you, Mr President.

**Mr Shimmins:** Thank you very much.

505 I understand it may appear simple at the outset, but actually it is much more complicated when you are managing interest rates, terms and customer service. There are lots of aspects to this which need to be considered and the issue is, of course, that there are many, many providers in this market already. This really does not work with hundreds of customers; ideally, you need large tens of thousands of customers, potentially millions, to achieve the scale necessary to run an efficient savings business.

Price is a key differentiator in savings, especially if you are operating in a deposit compensation scheme environment. People tend to shop around for the best rates.

515 So it is an idea, and I welcome that idea. But, please, let’s go into this idea with our eyes open and I think that is part of the problem that the Post Office management has had. There are lots of people with ideas, but there are precious few fully developed business cases, and that is what we need. We need business cases which show the cost and benefits of any initiative. Unfortunately, that really has not been forthcoming from this Report.

520 So, Mr Robertshaw asked us to think differently. Yes, we should. We should not continually try and retain the *status quo*. It feels at times that the Committee is desperate that this is what happens. Overall, Hon. Members, I would urge extreme caution when looking to expand the public sector into the private sector in times of significant economic challenge. I really would ask you to think long and hard about whether that is a desirable thing to do.

Thank you.

525 **The President:** Hon. Member, Mr Cregeen.

**Mr Cregeen:** Thank you, Mr President.

My comments are as Member for Arbory, Castletown and Malew.

530 Mr President, I think the Post Office is going to be one of those things very much like the Steam Packet and a few other items that this Hon. Court goes through that keep on regurgitating themselves every couple of years.

535 Mr President, I also have to declare an interest as an ex-postal worker. I have a pension scheme with the Post Office, but I can go back many years during my time at the Post Office, and talking to colleagues: there has been a failure for many years of the executive of the Post Office to realise the change of the business. There have always been concerns. If we go back to the times when we had all those TV shopping channels and everybody was getting stuff sent over

540 from QVC and all the similar types of channels, and the Post Office failed to jump into that market because they were reliant on Royal Mail, and there was just no thought about how the changing market was moving. Colleagues who I worked with were putting suggestions, they had a suggestion box, about what we should be doing to try and generate more business.

545 There were also concerns regarding the sub-post office network, because the amount of money that the Post Office was putting into the network – what they were doing was selling stamps, and occasionally you would have the sub-post office selling a few cards alongside that, because most of their income was coming from the Post Office. One of the thoughts was then that they should actually expand some of the services alongside the postal service that was there, to generate additional income.

550 Then it moved into the realms of going into partnership with people like the Co-op, because they were looking for additional footfall into their business. So the whole thing was that the Co-op or Mannin Retail would take on a Post Office franchise because they would get more people in their shops, who would get their cash out, who would spend the money in the shops, which actually helped the Post Office.

555 There was a time that they rebranded Registered Delivery to Special Delivery and said, 'Well, look how much we've generated.' It was the same business, but it was just under a different name. It did not actually generate any new business, but it was a process they went through.

560 I think the issue that we have got with the Post Office is that things have become more competitive out there. During my time when I first started in the Post Office, I think generally it was the Post Office that did most of the delivery and then you may have been lucky to have maybe one competitor out there. It has become a *vastly* competitive market out there for the parcel delivery. The letter delivery has shrunk, and it has gone from personal letters to the pieces of plastic that you get through your door advertising, and the occasional bank statement.

The Post Office moved into IMS, which is integrating mailing, and so they were doing stuff for banks, they were enveloping and all these sort of things, so there were different areas that they moved into at the time.

565 There has been talk about cash transfer for banks, that was looked at years ago, and then there was an insurance risk, there were all these other issues that they had come up with.

**Ms Edge:** Mr President, can I ...? Is that okay? (**Mr Cregeen:** Yes.)

570 Just really to let the Minister know that we do actually do a cash transfer service. So you know, it is there.

**Mr Cregeen:** Thank you, Mr President.

575 What they were looking at was the armoured vans. It was not the postal vans; they were looking armoured vans.

So there are lots of areas that the Post Office was looking at, at the time, but they were always behind because they were following what Royal Mail was doing, and Royal Mail was not adapting to the market either. So, I do not know how many Hon. Members here remember, Screwfix used to have all their stuff sent here by 24-hour Datapost. They lost that contract, that was Royal Mail, so a knock-on effect to the Isle of Man Post Office.

580 During my time at public transport, going on to the MiCard and the one Government card, we actually went across Government, and we asked when we were looking for the Go Card for the buses, about asking to see if Departments would be interested in doing one card. The issues we had brought back were that some of the software providers would not go onto this other card, and there were all these issues why it became so difficult for Government to have the one card because you were using other providers outside the Isle of Man.

585 We have probably all had the letters regarding the concern over the one-kilo parcels going to the Post Office. I could not support that because we have all seen, when you have done any online shopping, sometimes as soon as you put the Isle of Man in, they either will not deliver to you or they will put an extra cost on. So, what you could actually see is that you would be

590 disadvantaging people on the Island from bringing stuff over because people will say, well if it has to go through the Post Office, it could be an additional cost, so you will lose that service.

In my time as the Chairman of the Post Office, Government employed a Mr Toime to do a report into the Post Office – a gentleman who really did not have any idea about the Isle of Man. He did a report and his whole thing was about corporatisation. I know that the current Chairman has the same view as myself, that corporatisation is not going to do any benefit to the Post Office at all. But it was the board and the executive at the time who were keen to push this. It was: ‘Well, it works in Jersey.’ At the time, back in 2014, the Post Office was making about £1.9 million of profit. Jersey Post was struggling to make a profit at all. It is quite interesting to see how things have moved along from 2016 because in that debate, I mentioned about Jersey Post Office. They went down to a five-day week. They started closing sub-post offices. And lo and behold, what has happened in the Isle of Man lately? A five-day week and closing sub-post offices.

600 What the Post Office has to do is it has to be competitive. It has to be innovative. Unfortunately it has not been that. They need to be out there looking for more work. They need –

605 I can see the Chairman, (*Interjection by Ms Edge*) but if you talk to postal workers, actually it is a huge concern for people out there. It is their jobs and they are seeing the work going down. They are concerned. I think what we have to do is that there have to be some innovations. I know the Committee has looked at trying to do this, but surely this should be the job of the executive and the board. It is not the job for a parliamentary committee to go along and tell the Post Office how to run its business. You should have people there who are able to do that. That is the issue that we have got here is how do we actually get the Post Office and the executive to be that competitive out there, to say we have something good to sell?

615 They got into the area of storage. Has anybody ever seen the advertising for the Post Office storage solutions? It is a struggle to get it out there. They need to advertise more to the people of the Isle of Man what they are actually doing.

The postmen and postwomen of the Post Office are going round every business virtually every day of the week and they are seeing where the business is. Those are the people who have got the concerns, and I think the debate here will come round again in the future. What we have to do is stop the political interference of trying to tell the Post Office what to do, but give them the ability and make sure and *chase* them to go and make themselves profitable. That is what we need to be doing.

Thank you, Mr President.

625 **The President:** Hon. Member for Ayre and Michael, Mr Baker.

**Mr Baker:** Thank you very much, Mr President.

630 I find myself in a very interesting position in this particular debate and clearly as is well known, as Mr Robertshaw said, I was part of the Committee up until quite recently and heavily involved in certainly the First Report and some of the evidence-taking that has led to what is in front of this Hon. Court today. Indeed, I previously brought motions on the subject and most significantly the July 2018 motion which is, or at least the carried version of the motion, shown in the Committee’s Report. I will return to that later.

635 So this is a subject that has been very important to me personally through my Tynwald journey, and my views on this are a matter of public record. I just want to start by making clear that the comments that are going to follow are purely personal. They do not reflect any of my ministerial role as Minister for Infrastructure, nor indeed the Chair of Manx Utilities either.

640 Having spent far longer on my feet yesterday than perhaps I would have chosen to do, I was not sure I was going to speak today. But I think it is important that in this parliamentary environment that is offered by this General Debate on what I think is a very important subject that I should, and particularly in light of Mr Shimmins’ comments where he explicitly referred to

me, because I am the only former member of the Committee that was apparently part of this concerted attack which he referred to – co-ordinated attack, sorry – which seems to be okay when Mr Shimmins is part of the attacking group on other subjects, but is not okay when he does not agree with it.

645 Now, there is no co-ordinated attack, it is just there are a number of people with different views from Mr Shimmins in this, and I fully respect the Hon. Member for Middle’s right to have those views and to challenge. He plays a very useful role in this Hon. Court in doing so, as indeed does my hon. friend from Douglas East, Mr Robertshaw. We all bring different things to this Hon. Court, and we should respect and value those things. And I do value the perspective that  
650 Mr Shimmins brings.

However, as he spoke I wrote down some of the quotes that he made, and he is looking at this through a single lens: (**Mr Robertshaw:** As usual.) the business, the business must adapt, disrupting the market, taxpayer subsidies, referenced the privatised Post Office in the UK and accused the Committee of trying to sustain the *status quo*. I have got to say, having spent time  
655 with Mr Robertshaw, I think that is one of things that you cannot accuse Mr Robertshaw of ever trying to do, in terms of the *status quo*.

What the Committee I think is doing is prompting debate and discussion on a *very* important subject which matters to the people of the Isle of Man. There is no single view on this. There is no right or wrong. There are different versions, as indeed there are on many of the issues we  
660 covered yesterday. That is the point of us being together as a group of directly and indirectly elected Members in this Hon. Court. We all have value and our opinions matter, and we need to have a sensible discussion on that basis.

I would put it to Mr Shimmins that the Post Office has a business element to it, but it is far more than just a business and you cannot simply look at it through the lens of pure business terms as he does. Interestingly, he talks about the complexities of some of the things that  
665 Mr Moorhouse was putting forward that the Post Office should consider. It is amazing to me how complex things are when Mr Shimmins has knowledge of them, but how simple they seem when he has an outside perspective – ‘Just do it! Just fix the prom!’ etc.

The reality is of course there are complexities and his experience is very valuable in that regard and it should inform the debate. The point he made about white labelling in response to  
670 Mr Moorhouse’s comments on savings, I do not think the Committee was suggesting that necessarily they had to create and build their own infrastructure. It could very easily work with a strategic-partner-type approach if it chose to explore that particular potential opportunity.

Whilst I value Mr Shimmins’ perspective, I do feel, without being disrespectful, I think he is missing the broader point. The Island’s Post Office is a key element of the Island’s capability. I  
675 was going to use the word ‘infrastructure’ there, but infrastructure coming from me has certain connotations. But it is embedded in the Island. It has got an amazing physical presence and geographic reach. It has got around 300 people, I believe – I do not have the up-to-date figures – who are a great force for getting things done. It has got a logistics capability, it has got an IT  
680 capability, it has got a marketing capability. It has got all the functions of a business which can add real value to the Island, and it is my contention that we are not maximising that value.

**Mr Shimmins:** So it *is* a business then.

685 **Mr Baker:** It has a business element to it, Mr Shimmins, you are absolutely right. But it is not solely a business, and the words ‘social value’ are talked about explicitly in the Committee’s response.

Now, social value is a difficult concept. We cannot easily measure it, we cannot weigh it, but we all recognise it – or certainly most of us do. There are many things that have social value that  
690 are not necessarily profitable or that the market would necessarily sustain. I can give you plenty of examples, but many of the issues we have grappled with on the back of COVID are about the value of things like community and inclusion and connection. These things have a value.

695 They are not easy for financial people, and Mr Shimmins has made his career in the banking world, I have made mine in a world in which finance has been pre-eminent, financial management. We would like to be able to boil things down into simple business cases: what do we put in and what do we get back? But as I am sure the Minister for Health and Social Care and the Minister for Policy and Reform would acknowledge, with their respective involvements in health and public health, there are many things that contribute to the health of the public that are difficult to value.

700 Indeed, Mr Shimmins and Mrs Sharpe, when they were on the same side of the debate yesterday around ... Well, it was not an active travel debate, but it became an active travel discussion. They pointed to the benefits of active travel for the health of the Island. I do not disagree with that. The reality is things have multi-dimensions to them and those have to be recognised. We do ourselves a disservice if we boil things down to a simple pounds, shillings and pence equation.

705 We talk about the Post Office as if it is one thing. It clearly is not one thing. It is at least two things that fit together in a relationship. There is the Isle of Man Post Office, which is headed by my hon. friend from Onchan, Ms Edge, and has many of the senior management here for today's debate, and we also have the post office network, which are an integral part of the same whole. 710 However, there is a tension between them, because from Isle of Man Post Office's point of view, that post office network is a significant cost. It looks at it like that. It does not treat it as its route to market or as its key distribution partner, as one might do in a different environment. That is why we have got what appears to be an intentional strategy of reducing the post office network as a cost-saving measure. I am not criticising that strategy from the board and the Chairman's perspective within the parameters in which they operate. It is an entirely logical thing to do with the rules that they are operating within. The simple fact is that those are the wrong rules and I think that is a fundamental point that Mr Robertshaw and the Committee lead us to.

715 There is clear social value in the post office network in particular. There is clear social value in the personnel of the Post Office, in particularly those who are directly customer facing, who can play a key part in taking public service to the citizen. There is clear social value in the relationships which come from this. But those are not valued. They are not paid for, they are delivered. And as the evidence from Mrs Palmer given to the Committee both in this Report and previously indicates, that is hugely important. It is something which underpins the Isle of Man and what it means to live here and to be part of our community. We throw that away at our 725 peril.

It may well be that that social value is more evident in the rural constituencies which I and others represent, where often the post office may be the only thing in the village, whether it is combined with a shop or a standalone entity. Those places have significance in small communities. They are valued by the people of the Isle of Man; and again, we need to ensure that those views and perspectives are reflected. 730

So I would particularly say, Hon. Members, we need to recognise the holistic Post Office and think about the needs of the two parts separately. They fit together, but they are not the same, and at the moment there is a destructive tension between the two of them. Indeed, the management of the Isle of Man Post Office just see the network as standalone private 735 businesses, which they see that they are subsidising. That is the wrong frame of reference, Hon. Members.

Furthermore, this points us to a fundamental issue at the heart of the public service on the Isle of Man. We have real difficulty with specific things, in particular things that cannot easily be evaluated on pure financial grounds; in particular, things that cross departmental boundaries. 740 Although I have got to say the way the public service has responded to the COVID situation gives real hope for the future of that. We really struggle with things that straddle public and community and private spaces. But again, we know that we need to bring those things together to make the Isle of Man, the 85,000 or so people that we have here, the community that we are part of, perform to the maximum extent possible, and as was talked about back on Tuesday –

745 which seems quite a long time ago now – when the Treasury Minister spoke about the Budget and how we are going to recover the Island and then move to a braver, bolder, new future in line with the economic plan which the Treasury Minister and the Enterprise Minister are leading on. That is going to be done with the community. It is going to be done with businesses and with the people of the Isle of Man.

750 As the Minister for Environment, Food and Agriculture talked about the way we are going to address climate change, it is going to involve things like citizens’ forums; again, with people. It is not going to be done by Government, because Government cannot do it on its own. It needs to embrace all these things. So again, we are going to need to be better at things that straddle public and community and the private sector and social enterprises. I do note and commend the  
755 work that the Department for Enterprise have done in that space of social enterprises, which again is a coming theme and one that is going to be a bigger part of our future.

The fourth area that I think we struggle with is things that have softer benefits. We all know that connecting with people is a good thing. We all know that getting people together with a shared purpose and a shared focus is a good thing. We know there is value to people meeting  
760 together and spending time together and building relationships. But it is really difficult to quantify. We know there is value in social inclusion and the things that make that happen, whether they be public services, or community or charity activities.

So we need to be better at that, and in order to be better at that we need to ensure we are looking at things through the right lenses and not just a narrow lens that is one dimensional,  
765 because otherwise you make the wrong decisions and we end up with outcomes that are not best for this Island. We need to ensure that things sit within the right structural framework, whether that be within Government and the structure of Government and the processes behind it, or elsewhere. But we have to make sure we are setting things up to succeed and it is my personal view that we have set up the Post Office, in both its elements, up to fail right now. We  
770 have got the Post Office, Isle of Man Post Office, operating in a very commercial manner within financial constraints driving a certain set of outcomes, and those are driving the post office network into a managed decline.

So it is clear to me that this is, as the Committee says, a structural issue. It does sit right at the heart of the Isle of Man. The Post Office, in both its elements, is valuable. The reason that I  
775 am bothered about this, the reason I am standing speaking here today, is because it is important and I want to see a successful future for both parts of the Post Office solution. This is not having a go at anybody, it is trying to be constructive and take us on to another level. There is value in it now.

But, Hon. Members, it is difficult to resolve this. If it was easy, it would have been done before now. The management would have sorted it or the Committee would have said, ‘Do x, y  
780 and z’, and Tynwald would have embraced it and it would have been on with it by now. So it is difficult. But there is real upside in this. This is an entity, with both its parts, that has undeveloped value that needs harnessing. But to do that, we need to be intentional to deliver that potential, and it needs vision, direction and leadership in order to do that.

I look back at the July 2018 motion that is in the Committee’s Report, and that motion still stands the test of time. But there is one part of it that was a fatal flaw at the heart of it. It was not in the original motion, but it was in the amended motion, and that was that the responsibility for coming up with the vision and the plan was taken from the Council of Ministers and put on to the board. (**Mr Robertshaw:** Correct.) The board was never going to be able to do  
785 it, because it was looking at it through its narrow lens, (*Interjection*) and it was an unfair challenge. It was flawed. The board has not done it. The board has done the best it possibly can under the leadership of the Chairman, and there is no criticism in this. They were set up to fail by the amendment that was passed.

Now is the time to grasp the issue, Hon. Members. We are two years on from that motion.  
795 What we need is what we are getting out of COVID, which is a reset button. We talked about it yesterday in other contexts, and –



**Ms Edge:** Would the Member give way for a second?

800 **Mr Baker:** I am drawing it to a close, so could you ... I presume you are registered to speak with Mr President.

**The President:** Up to you, Hon. Member.

805 **Mr Baker:** Yes. No disrespect, but I would like to just draw this to a close.

This I believe is the time for a reset button for the Post Office. The concept of a reset button for society was raised with me by a very leading member of the farming community as soon as this COVID issue broke. He said, 'I believe that this will be a reset button for society', and in many ways, what we talked about yesterday and what we are aware of with the growth of local spending, local production, the increased recognition of the need for self-sufficiency but within  
810 part of a broader community, is part of that reset button. And I believe the Post Office is an integral part of how we move forward.

I do not want to be part of an administration that signed the death warrant of our Post Office in both its elements. If we do not act, Hon. Members, we condemn the Post Office to terminal decline and eventual irrelevance. To some Hon. Members, I recognise that they already believe it is largely irrelevant. That is their view and that is fine. But for me, there is some great insight in the work that the Committee has done. I congratulate the Committee for its work, for bringing it to this focal point, for the speeches from Mr Robertshaw, Mrs Sharpe and Mr Moorhouse, and the very valuable comments they have made.  
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We do need to grasp this issue. It does need a real clear focus and what we need to do is deliver what was at the heart of my motion in 2018, which was to repurpose the Post Office for the 21st century. If the Special Forum is the way to do that, let's do it. But we have to do something. We have spent two years where we have not really gone forward. This is important, Hon. Members. Let's grasp it, let's back the Committee's views and let's have that conversation and develop the repurposed Post Office, which is not going back, as Mr Shimmins says, to what it used to be. That is never what I have wanted, because the cheese, as Mr Peake keeps reminding us, has moved. But the mouse still needs to live, and it needs to follow the cheese and it needs to find a new future. There is a future out there, but it needs vision, leadership and insight, and that is what we need to find.  
825

830 Thank you, Mr President.

**Two Members:** Hear, hear.

**The President:** There are a number of Members on the list wishing to speak. In making their contributions, there is an old adage which is useful, 'less is more', (*Laughter*) which could be borne in mind.  
835

Mr Hooper.

**Mr Hooper:** Thank you very much, Mr President.

840 Just before I talk to the motion itself I want to touch briefly on the General Debate format – the remarks made there by Mr Baker really brought this home.

He said we should support the Committee on this but actually the Committee is not asking for our support on anything. I am not particularly clear it was ever the intention of the General Debate format to allow a report with suggestions and conclusions to be debated in this way. The hon. mover was very clear: he wants Tynwald to express its settled view. I completely agree with that. We should absolutely be doing that. Mr Baker said let's get on with this and do something. But we have to be given the opportunity to do that and that is not being presented to us today.  
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850 So turning to the debate at hand, the first thing that has struck me so far about this debate is it is not really about the Post Office. It is about what we as Tynwald Court think that our communities might look like in the future, and how we would like Government services to be provided to those communities. Mrs Sharpe, in her remarks, barely touched on postal services but she talked extensively about *Government* services. I am not really sure of the kind of person you need to be to do all the things she described – to be a postie, a medic, an adviser, a social worker – but it feels like a lot to ask of one person. And I think the nub of it sums up this whole  
855 debate: that is a lot to ask of one organisation.

So I think we all accept there is a clear need and a clear rationale to move to as much digital delivery as possible, but my view is we should not be trying to artificially preserve a Government service delivery model that is not fit for purpose. In the last debate on the first of these two Post Office Reports I made this distinction very clear and I am going to repeat some of those remarks  
860 again, because I am not quite sure that they have been fully taken on board. We have to stop thinking about the Post Office as being the bit that is important. What is important is the *commercial* operation of the Post Office – the provision of universal postal services.

What is important is that people can access essential Government services easily and in a manner that suits them, especially if they are not digitally literate. What is important is that  
865 where we have instances of ‘the only shop in the village’ – that personalised service that has been described – that we look at ways of ensuring we do not lose that valuable contribution that this makes to our local communities.

Unfortunately this Report, as the last report did, only touches on this as an idea and instead it seems to still be heavily pushing this idea that ‘We must protect the network; we must protect  
870 the Post Office intact in its current form ...’. Whereas I am not really sure that is what we are looking for; I am not sure that is the outcome that is being discussed today. I am not sure that is the outcome the Committee are actually looking for and it certainly is not the outcome that Tynwald has already voted on and approved through the Post Office Strategy. That is not the outcome that will be delivered.

I think the problem we have is that we are conflating a number of issues that are only  
875 currently connected because, as the hon. mover very rightly identified, Tynwald has decided they are connected. Delivery of Government services, community hubs, a commercial post office and a universal postal service. Tynwald Court made the decision that these are all the same thing, all being delivered through the Post Office.

880 So the problem we are trying to resolve here is that for far too long Tynwald has asked far too much of the Post Office. We want them, as Mr Shimmins has said, to be commercial; we want them, though, to deliver a universal postal service; we also want them to deliver a community, personalised service; and we want them to deliver Government services. In the past this model might have worked fine, but in a rapidly evolving digital world I do not think it does.

885 Do we really want to keep vehicle licence discs? Do we really want to keep a benefit card system? Or are we only doing those things because we know that without those support networks, the income they generate, the post office network will disappear much quicker than it already is?

Surely the right thing for us to be doing is delivering that digital transformation because it is  
890 the right thing to do – making services cheaper, more accessible and easier for the public and for the individual, putting the individual at the heart of service delivery. And if the knock-on effect on the Post Office is substantial, which we know it will be, we need to decide if we want also to support a community hub structure or service.

We should not tie our hands by saying ‘We can’t modernise; we can’t innovate and develop,  
895 because actually we need to subsidise the social obligations of the Post Office’. These issues can and should be viewed separately. We need to be very clear: what do we expect from the Post Office? I think that is pretty straightforward because the Post Office Strategy has been endorsed by Tynwald Court. We, as a Court, expect the Post Office to be a commercial provider of postal and communication services. That is what the Post Office Strategy says and does.

900 As part of this, we also think they might play a role in delivery of Government services and of  
community services where it makes commercial sense for them to do so. Again, that is what the  
Post Office strategy does. Now, I argue this model is flawed and that is why I did not support the  
Post Office Strategy. I argue that if we expect the Post Office to also provide community services  
905 in a higher cost way – for example, we expect them to retain the network – we have to  
acknowledge that this has to be paid for. We should not be paying for it through continuing an  
out-of-date service delivery model, but instead we should acknowledge, as Mr Baker quite  
rightly says, there is value here; and actually where there is value, someone has to pay for it.

I hate the word ‘subsidy’. I *hate* it, because it implies that you are not getting anything back  
for your money and it implies you are just throwing money away. But that simply is not the case  
910 here.

We all acknowledge, I think, that there is value in personalised community service and I am  
trying to make a very clear distinction here between Government services and postal services,  
because they are not the same thing. The Chairman of the Post Office has said this time and time  
again: the Post Office is responsible for postal services and some Government services are  
915 delivered through the Post Office – specifically, social security or some of the potential health  
services that were talked about earlier. There are a lot of people that rely on these services –  
one in 10 pensioners, one in 10 people who collect benefits is the figure often repeated. Up until  
COVID this figure has been relatively stable. COVID obviously will have had an impact on this. But  
I think that for some time into the future we will still be needing some form of physical, local  
920 delivery sitting alongside digital delivery of some of these core services. As the reach of the  
physical network declines, as the post office network declines, the reach of this physical service  
delivery will decline. So we need to decide actually if we should be compensating this by an  
increase in local service delivery elsewhere, or even through the Post Office.

It is important that people who need to access this service can still do so. But does that mean  
925 that the Post Office is the right place for these services? Now, is the Post Office a good service  
partner because it is the Post Office? Or is it a good service partner because it has a very wide  
reach across the Island? I think it is more of the latter than the former. They have a big network.  
They have a lot of reach. That is why they are a good partner for Government services.

But take Ramsey for example: the Town Hall in Ramsey is becoming more and more a hub for  
930 Government services, both local and national – we have got housing, a job centre is there, social  
security, the registry – a wide range of services. Government, in the form of Treasury, is a very  
key and welcome driver in this. So it might be that as we go forward a closer partnership with  
local authorities is the best way of delivering Government services, and maybe we let the Post  
Office get on with the job of being a post office

The point I am trying to make is, I would like to see more Government services available  
935 locally and whilst this does not necessarily mean the retention of post office counters, I still think  
that post offices could have an important part to play, given the wide reach of their network.  
But, unfortunately, as that network declines so does this reach. I am worried that by the time  
Government is ready to acknowledge that we need local service delivery there will not be a Post  
Office network to pick it up. So we will not have a choice, actually. So we need to act on this  
940 *now*; we need to make a decision *now* as to what we think the future might look like.

We talk about the Island often as being a special place to live and work. I really think that it is,  
and an important part of that is that you can pick up a phone and you can talk to people. You  
can drop into an office and talk to someone when you want to engage with Government. In the  
945 UK it is a call centre at the other side of the country, hidden behind a complex web of telephone  
options and automated responses.

Do we think that is the right future for the Isle of Man? That is where we are heading. Do we  
want to be just another region in the British Isles? Or should we be a bit braver than that and  
make sure we retain, as far as we can do, the things that make the Island better? Retain that  
950 personalised connection that has been talked about. But if we want to do this, if we want to  
retain these aspects, we have to acknowledge they come with a cost.

In the last Post Office debate Mr Thomas made reference to the Strategic Plan, and he said there is a description in here of what a community facility should look like. I think he is absolutely right. The plan describes community facilities: ‘Community facilities are those services  
 955 or facilities that provide for the needs of the Island population ... They should be appropriate to the needs of the Island’s population and be located as to be easily accessible’.

That really should be our guiding principle here. It is like I said at the start: this debate is not about the Post Office. The Post Office is doing what it thinks is best for the Post Office. But they are currently much more than a postal service provider. And it is the Government services that I  
 960 do not think have ever been fully considered. The Member for Douglas East has already said – and he is right – that is not the Post Office’s job. That is *our* job; it is a job of Government.

This is where I am a little bit concerned by the two Reports from the EPRC because, as I said last time, and I am trying to make the point again here, there is a conflation between the issue of Post Office finances and the delivery of public services – there are two areas there with  
 965 inherent tension that are in conflict. But for some reason we keep linking these together as if they are one and the same. This ends up with arguments being put forward like we see in these Reports: let’s extend the exclusive privilege of the Post Office; let’s move all services to MiCard. The aim of these suggestions is not to provide the best service or the most available, accessible service; it is to support the finances of the Post Office. So we are tying our hands, because we  
 970 are trying to solve too many problems with one solution and that just is not right.

I will touch on the MiCard recommendation, for example. There is a fundamental disconnect between this Report and the wider landscape. We talk a lot about ‘one public service’, ‘tell us  
 975 once’, ‘smart services’. All these things are centred around two very big changes in the way that Government systems might work. The first is structural, the systems themselves; and the second is then the way the individual might accesses those services.

On the first point, on the structural way it works, Government used to and usually works like this. A Department says, ‘I want to deliver this service digitally’. So they come back and they say, in this instance, ‘We should use MiCard. Go away and get this set up; get it done’. What  
 980 Departments do not often say is, ‘Actually, I want this outcome, that is the outcome I am looking for. What are the best ways for me delivering that?’ That is exactly what the Report does. It does not say ‘What is the outcome I want? Go away and tell me the best way of achieving that outcome’. This Report says ‘Here’s a solution’. (**A Member:** Hear, hear.) And I think that is a challenge for me.

When you look at things like the Means Testing Report there are recommendations in there  
 985 that try and address some of this, because what we end up with in this approach is different systems all over Government that do very similar jobs. Not *exactly* the same job, but *very* similar jobs. So each system has components that talk to itself, but very rarely do they talk to other, and that is because systems are more often than not built by separate suppliers as self-contained units. They have their own payment module, their own invoicing module, their own user-access  
 990 module and probably their own card. So the problem with this is you get locked in; and that is why we have so many different card systems, because you buy an all-in-one system and then you get trapped because replacing it is expensive – prohibitively expensive, quite often. It is why so many businesses across the world are stuck with legacy systems they just cannot replace, they are finding it difficult to replace.

But the world we are trying to build should not do this. It should have a single payments  
 995 module, a single invoicing module, a single access module all working in the background, that no-one really knows about and no one really sees, and the front end of these services is what the Department, the customer, actually interfaces with. So then you do not have this supplier risk, this obsolescence risk because you can take and replace these modules as and when you  
 1000 see fit; and it leads to a much more outcome-based approach. So instead of a Department coming to you and saying, ‘I have found this great piece of software that I really think we should run across the whole Government’, you actually say, ‘Well, what am I trying to achieve, and what is the best way of getting the right technology to deliver that outcome?’

1005 So the view that this Committee Report expresses – that there should be a card system and a  
review of the card system – is not what things like the Means Testing Report talk about. They  
talk about ‘a choice of interface’, which means some people might use an app, some people  
might use a QR code or a barcode like you get when you have your airplane e-ticket. Some  
people will just use online services and some might still use a card or a physical token. But all  
these systems need to interact, they need to be flexible; and currently this all-in-one systems  
1010 approach does not really do that.

The Means Testing Report actually goes so far as to state:

... the review [*of service cards*] notes that service cards are not likely to be the main delivery channel for services  
in the future and they may become used in a minority of transactions compared with other technologies ...

1015 So not only does the review that was done of the multiplicity of cards across Government  
conclude that actually cards probably are not the way to go, I am not really sure what evidence  
there is – I cannot see any in the Reports – that when we are looking at a card that integrates  
with this new choice of interfaces, the MiCard is the right system. Can it fulfil the goal of having  
‘a choice of interface’?

1020 There was mention in the presentation, in the evidence, of a ‘prototype app’ for the MiCard  
software, but there is no information as to how this might interact with some of the early  
proposals for the new Smart Services Framework; there is no talk in there of how this interacts  
with this choice of interface with online services, for example. But the Committee has somehow  
concluded that this is the right solution to all of our access needs.

1025 And, equally, I cannot find any evidence in here that if the MiCard software *is* suitable, that it  
can be amended and developed without significant extra costs. The Report refers to a ‘MiCard  
wheel’ that makes explicit reference to the MiCard as a revenue source for the Post Office, and  
that is before you account for any developments or infrastructure costs associated with making  
it fit the new world.

So I come back to my point: we should be looking at the outcome that we want and not  
trying to micromanage the technology itself. We need to be agnostic about the technology and  
we need to focus on the outcome.

1030 Now, I need to be absolutely clear here, Hon. Members, I am not saying MiCard is not part of  
the solution; I am saying the evidence so far that has been presented actually does not stack up  
to the conclusion that says it *is* the right solution. There are risks with tying with one supplier;  
there are risks of proceeding down this route of separate all-in-one systems. At the end of the  
day actually is Tynwald the right place to make IT decisions? Or should that be left to the  
1035 professionals who actually run this stuff on a day-to-day basis? (**A Member:** Hear, hear.) Our  
focus should be on the strategy and on the outcomes.

1040 But I am not surprised, really, that this recommendation came up. The times that I have met  
with the Post Office it has been very clear that they are very invested in expanding the use of  
MiCard and, in their defence, no one seems to have had this broader conversation with them  
about where it might fit inside Government’s digital framework. But I am concerned that they  
seem to have put a lot of eggs in this particular basket and I do not know what happens if it  
turns out the basket has a hole in it. Unless we change what we require from the Post Office,  
this could be a significant problem for them, as the Report very rightly identifies.

1045 The problem that we are facing here is that we are stuck on this idea that we want to  
amalgamate cards, when actually we have got a number of pieces of work that point towards a  
better choice of interfaces system and a phasing out of cards entirely rather than their  
replacement. It is surprising the Committee Report itself does not seem to take account of any  
of this work, and does not identify this – although I am absolutely welcoming the comments that  
Mr Robertshaw made in his remarks, where he did acknowledge this wider framework and this  
1050 flexibility. I just did not see that reflected in the Reports.

1055 So I would be grateful really if the Committee as they do carry on with their work, and I hope they carry on with their work, that they actually take a good look at the evidence and demonstrate a critical appraisal of some of this technology. If they are going to recommend that we proceed down a particular route actually take evidence from a broader range of people, assess the pieces of information that are presented and come to a reasonable and rational conclusion, rather than just a very short assessment, a single presentation it appears to me, and to conclude that this is the way to go.

1060 This brings me on to my last point: the Report and the one before it, as I think has already been mentioned, have not really taken evidence from a broad range of people, they are very heavily reliant on evidence from the Post Office and from sub-postmasters. But there are suggestions in this Report, such as extending the exclusive privilege, that will have a significant impact on other stakeholders, even to the extent of threatening the viability of a number of private sector firms and threatening a large number of jobs. There has not been any evidence taken from anyone on these points, other than the Post Office. I would have thought in order to make these suggestions, that might have a *profound* impact on the Island, the evidence base needs to be solid in order to give them sufficient weight.

1070 I would like to touch on this very briefly because the idea that, instead of supporting innovation and encouraging entrepreneurialism, we should instead look to create protectionist monopolies to try and hold back what is a worldwide demographic change; instead of – as Mr Baker rightly said – changing the rules in which the Post Office is operating, we are saying let's lock in those rules and actually lock other people into them as well. I find this approach to be somewhat bewildering and actually quite concerning.

1075 Again, it is not a surprise to see this 'suggestion', it is the inevitable result of conflating the issues together, of Government service and community facilities with the financial security of the Post Office. We have to break that link. We have to break the link between those three issues because if we do not break those links, if we do not change the rules, and if we are not clear as to what we expect from the Post Office ... Is it commercial? Do we expect the Post Office to fund some of these social obligations? How are we going to fund community hubs and community services? If we are not clear on these points, we are simply going to end up creating more problems as we have to find ever-more creative and potentially damaging ways to artificially drive revenue to the Post Office to fund these other obligations. **(Mr Shimmins: Hear, hear.)**

1085 It simply is not possible for the Post Office to get on with the job of innovating. It is not possible for them to get on with the job of being an agile, commercial operation whilst we are tying their hands. And if we separate the issues of community services and Post Office profits then the incentive of politicians to interfere with the Post Office is vastly reduced. **(A Member: Hear, hear.)** Here I actually very much agree with the Hon. Member for Arbory, Castletown and Malew when he talked about paragraph 57 in the Report, which reads:

Resolution is needed on which public services, and which financial services, need to be delivered close to where people live; how they should be delivered, and by whom they should be delivered.

1090 That is what this whole debate is about. Actually if that was the recommendation on the Paper in front of us today I think we would 100% support that as a Court. I am actually quite disappointed that is *not* the recommendation on the table in front of us today because that is the core of this whole debate. The alternative of doing this is continuing with a failed approach of not providing clarity setting out a clear view as to what we expect from the Post Office, and of not letting the Post Office get on with the business of being a post office. The inevitable result of this will be the loss of a valuable institution.

1095 Honestly, Hon. Members, if we do not provide some clarity, if we do not set the right framework and change the rules and make a settled decision in this Hon. Court, **(A Member: Hear, hear.)** what chance does the Post Office have? **(Two Members: Hear, hear.)**

Thank you, Mr President.

1100

**The President:** Hon. Member for Rushen, Mr Skelly.

**The Minister for Enterprise (Mr Skelly):** Gura mie eu, Eaghtyrane.

1105 May I first of all start by thanking the Caairliagh of the Committee, which interestingly enough is the Economic Policy Review Committee bringing this forward, and for the fine work that his Committee have done.

1110 The Isle of Man Post Office: a much-loved, trusted brand. We all know that term, don't we? We have heard it enough. Well, let me tell you, just think back these last few months. Frontline workers: what were they doing, the Post Office? Not just the posties but the sub-posties too. (Mr Robertshaw: Hear, hear.) They were providing a very valuable service, and I would like to put on record my thanks to them for providing that valuable service, (Several Members: Hear, hear.) valuable service to the vulnerable people of the Isle of Man. That probably is the heart of this debate; and I thank the Hon. Caairliagh for making it a General Debate, because it allows it to be more free-flowing. It is the heart of it.

1115 Social value: a number of contributors have highlighted that particular issue. Mr Cregeen said that just like the Steam Packet, probably just like Manx Radio, every administration has to discuss this issue. Political interference; we all want to have our say. I would suggest, actually, if we had this General Debate at the start of this administration, we probably would not be in this position. The Post Office has been subjected to reports, motions and all sorts of turmoil that we have brought upon them while they tried to fulfil their obligation and their very key and valuable function.

1120 I think it was Mr Robertshaw who stated that it is very blunt, the confines that they have to operate in; the financial constraints, the business environment that they have to operate in. What did the Post Office board do and we have supported? We have supported no corporatisation. They have gone on a journey of establishing a five-year strategy. They have dealt with terms and conditions, they have dealt with pensions, they have actually moved to the five-day week with very little impact – *all* at a massive saving. They have also brought forward the modernisation of the retail network – painful journey, but they have actually delivered within the constraints that they have to operate in.

1130 It is worth understanding in terms of context as to what their actual functions are. We all know stamps and coins, Mr Cregeen highlighted the Integrated Mailing Solutions which was great in the day of the massive amount of direct mail. They have diversified; they do provide scanning and digital services in that particular area. But the two areas that are always focused in on: letters and parcels, which I will come back to; and of course the sub-post offices. They cannot help it, but we always do come back to them.

1135 But we come back to them because we value them. They have struggled and if I just try and think back to the origins of Mr Robertshaw's single legal entity, I think that might have been when you were Social Care Minister and you made a decision that saved that Department a vast amount of money, but impacted on the sub-post office network. I think he highlighted at that particular time it was the right decision and the right direction because of the digital acceleration that was happening – and I will come back to that. But it highlighted also the vulnerability of the sub-post office network, because a massive amount of their revenue is generated by us in Government.

1140 Digitisation has continued, there is no doubt about it. Letter volumes have dropped, there is no doubt about that too. So in terms of the sub-post offices, we know we all value them, particularly in the rural areas and outside Douglas, but what has also happened these last couple of months, we have had to stop and think about: we might lose our bank in our town or our village; we actually might lose our pub in our town or our village. This is actually part of the social fabric of our Island, and they themselves provide valuable functions – once more, *social*.

1145

1150 Hon. Member, Mr Hooper and I attended a Licensed Victuallers' Association just last week. We heard of some of their issues that they are dealing with: cheap booze in supermarkets; talked about the VAT. But what they did also highlight is the value that they bring to their own communities. You might think it is just about alcohol – it is *not*. There is a social element. What is a public house? It is a social environment. We have actually tried to deal with issues in Peel I  
1155 know and Port Erin talking about banks, and we are concerned we may lose our bank. And, of course, there is the acceleration of digitisation that sits on the back of that.

So, back to the sub-post offices, I think the Treasury Minister answered a question just a few weeks ago, over 1,200 people – and Mr Shimmins is right – took the right decision to actually receive their benefits by direct benefit. So that has helped those people in this crisis and the likelihood is they will not go back. So therefore there is another impact on the sub-post office that we have to consider. Some banks have closed recently. The sub-post office and the Post Office have actually stepped in and provide services. That is *really* valuable. There is an important aspect to those sub-post offices because they provide an outlet for cash, which for banks at the moment is not really very attractive.

1165 What I would highlight too is those sub-post offices are private businesses – the Caairliagh has mentioned this on many occasions – and they do struggle because they are also living in the world of retail and the difficulties that our retail environment has is massive. But I am not going to focus in on that. What I am going to come to is the three priorities that the Committee have put before us today to consider. Not to vote on, not to decide on, but they talk about the:

... sustainable mail services (letters and parcels, on- and off-Island) must be retained.

1170 Now, we have already had communication, as some Members have highlighted, from the private sector and from unions, and I would suggest, following the Chief Minister's Zero Hours Committee, there is some more work to be done. The challenges previously with regard to the gig economy, there is some more work to be done. But what I would also suggest is that an independent report is commissioned, not run by Government, not run by the board, but an  
1175 independent, and it allows for appropriate consultation. Because if you do go down this particular road you will create a monopoly, you will not allow disruption, you will cause all sorts of potential unintended consequences. And last, but not least, we *must* consider this against the Office of Fair Trading and the Competition Bill. So there are implications of that and I would welcome an independent report to review that particular priority.

1180 The second priority is all about digitally excluded, and in that case, as Hon. Members have already highlighted, that is a role not for the Post Office but for us as Government; and parliament too. There are two areas that jump out of this: (1) that Cabinet Office has a Digital Inclusion Strategy – we need to understand where that sits in that particular space; and (2) there is also a Community and Public Engagement Committee, as set up by the Chief Minister; and it did jump out at me that they do have within their *vires* there to:

- Investigate how an inclusive community can be encouraged and enhanced by Government  
[...]
- Identify possible barriers to enhance engagement with society and investigate ways to overcome these.

Now, I know my hon. colleague, Mr Hooper is Chair and there are five other politicians who are members of that Committee, and thank you for participating. But I would suggest we might invite the Post Office to participate with that Committee because then we can try and find how do we help those who are digitally excluded? There are going to be less and less of them, but we  
1190 do need to consider them and I thank the Committee for bringing that up.

The third item is:

that a capability to apply appropriate checks or procedures to items entering the Island by post or courier should be maintained in case needed in the future.



That really is more of a security issue, I would suggest, not just the Post Office. Our colleagues I am sure in the Department of Home Affairs would want to be involved with that and I do think there is an opportunity to review that.

1195 So I am going to close now, Hon. Members, and I am going to just highlight the point that is about the social value. It is easy to have a business case, as already highlighted, look at the pounds and pence, does it really make sense? But we have *not* been able to establish that social value. That, I would suggest, is our failing as Tynwald, as Government collectively, in order to do that, and we *must* actually make that decision. If we do well and truly value this, particularly the network, and think back to those last few months what value they have actually just brought to our society and our community, it is really quite significant.

1200 I do believe that there is a case for, and a lot of Government entities are, technically, social enterprises. They do not make money. But they do have to have proper business strategies. They do need to have financial governance. But they do not necessarily make money. It is not that long ago that the Post Office board had to make a payment, a dividend, to the Government – in the terms of millions, it used to be – and that is only a few short years ago.

1205 So the world is changing. This is an opportunity for us to actually change with it and I look forward to engaging. And do we sit – the last question I think the Caairliagh highlighted – does the Post Office sit in the Department for Enterprise? I would suggest it is a responsibility of Government and Tynwald. Where it sits does not matter, because it does have economic and it does have social value.

1210 So with that, I would just like to say thank you to the Committee once more for bringing it forward and I look forward to a more concrete motion with recommendations in the back end.

Gura mie eu.

1215

**The President:** Hon. Member of Council, Mrs Lord-Brennan.

**Mrs Lord-Brennan:** Thank you, Mr President.

God, it feels like it is never going to end, doesn't it? And I feel like I have only seen –

1220

**The Speaker:** You've only just started!

**Mrs Lord-Brennan:** Yes, it is only really just a little portion, a little taster, of the debates and discussions about the Post Office, and it would be really nice to get off this hamster wheel.

1225 So I welcome the considerations of the Report. Part of why I appreciate them is because I think we need a nudge of a way out of this situation, and also I do not think that you can fully expect the Economic Policy Review Committee to come out wholesale with exactly what the Post Office should do or exactly what the Government's position should be. So I think this is a nudge to some kind of next step.

I am not going to speak long. I am going to try and rattle through this.

1230

I had on my notes three Ms. The first M is Mr Moorhouse. The reason it is Mr Moorhouse is I think on the last amendment – I have lost track of all the motions, I really have – he was talking about the sub-post offices and actually I think it started off about a lot of the feeling, the frustration and the difficulties were about the sub-post offices. But actually what the Report has highlighted to me is that it has taken a step back above all of that and simply looked at the Post Office and sub-post offices, and the things that it provides, almost as building blocks and thought, 'Okay, how can this work in a different way if we consider all that stuff to effectively be assets of the Island in terms of what we want to achieve?'. So I appreciate that bigger picture in terms of getting us to think about that.

1235

1240 The second M I have is Mary Palmer. I think we really needed her insight – we really did – because there was a voice coming there from the sub-post office masters that was not feeding in to the overall arrangement and then has given some good perspective on what we want the Post Office to do and what we think we want the sub-post offices to do. So I am very grateful

1245 that Mary put so much forward to that and in being very direct and speaking so frankly and giving that perspective. It was much needed. I think it probably has led to the idea that there needs to be a reset of the relationships between the Post Office and the sub-postmasters and also this idea of restructuring, because it is not working – is it? – is the bottom line. We just need to move on.

I agree with the points about the vision. I do not think it can come from the Post Office. I think that we need to look at it strategically.

1250 In terms of the next point about MiCard, I think that the idea about MiCard and the potential benefits that that can bring need to be looked at seriously, and it needs to be looked at in balance with the overall other things that we might need to preserve or change about the Post Office. What appeals to me about this is that there is a lot of time talking about targeted help for people, personalisation of services; the plethora of ways to do that. But it would seem to me that we are looking for a gateway that we already have in order to target support to people or give access to certain types of Government services in service delivery, then that exists there already and it sounds like some work has been done to figure out how that could potentially be used in a broader way.

1260 I think that appeals to me in terms of thinking differently and talking about the building blocks of what we have got already. That is definitely something that I think really needs to be looked at and I found it *really* interesting, the idea of all the other things that might be able to be done in a different way purely through a simplified model, using what we already have but using it in different ways.

1265 The other part about checking for items arriving on the Island: this is where I think we need to be lifting our thinking to, because I do not think we can be disappointed in terms of the Committee not coming forward with particular recommendations because they are the Economic Policy Review Committee. So what they have done is put something forward for us to seriously think about. The next step is this idea of having a Special Forum to look at this stuff. So that is the next step there, and it is a chance to investigate all of those things further. So with that you could look at the implication of the 1 kg – the exclusion aspect of it – you could look at that more, could think about the implications; you could also look at MiCard function more.

1270 I think it does need to be looked at, because if we look at other things that we have to consider, in terms of competition, in terms of strategic matters for the Island and how that is working for the public ...

1275 In terms of competition, obviously: well, what about milk? What about the Steam Packet? What about education? What about Bus Vannin? There is a whole range of things that we sometimes have to look at and think, yes, we know we need competition on the one hand, but on the other hand we think that there is a need to preserve it or not. So it does not mean that everything that I have just listed there is absolutely right, it does not mean that what has been put forward does not need to have other implications considered around it, but we need to think about that as an Island because of the small marketplace that we have.

1280 So I think, on balance, given that there is an opportunity to have a next step, if there was indeed a motion or a recommendation that came forward in the future to have this Special Forum, we could look at that. I think it would move us forward, because I agree with Mr Hooper and Mr Moorhouse that that particular consideration in the Report that said we need to think about what we want the post offices to do in terms of social value and all this, that is what needs to be settled.

1285 So I appreciate very much the contents of the Report and I *hope*, God I really hope, that we are not just going to keep talking about this forever. That would be really bad and really boring. (The Speaker: We will do!) Please no! It needs to stop.

Thank you very much, Mr President.

**The President:** Hon. Member for North Douglas, Mr Peake.

1295 **Mr Peake:** Thank you very much, Mr President.

I think these General Debates are actually proving to be quite useful. I think it is better than actually perhaps arriving at Tynwald with a motion that you have got to say yes or no to and this perhaps flushes out some of the things that people are thinking. And then you could then lead on to a motion perhaps at a later date. So I do think this is a model that may well be good.

1300 I do think the Post Office is not a public service. It keeps getting referred to as a public service. It is not a public service; it is a service for the public. It is a post office service, that is what it is.

1305 I think the idea about a Special Forum: well, we could engage the stakeholders. Social Security is a stakeholder so that would be a good idea for the Post Office board to engage with them. We have heard this morning about Asset-Based Community Development.

1310 What we do not want to do, though, is just keep loading ideas on to the Post Office. That is not really what we want to be trying to do here. Every time the Post Office come here, they get more and more ideas from us, more and more responsibility, more and more weight – it restricts them, as Mr Hooper pointed out this morning. I think a great idea would be to separate out those services, separate out what the Post Office is and what the community services are.

1315 I can see your enthusiasm, Mr President, (*Laughter*) so I am going to draw it to a close there. But I do not think it is helpful coming here, giving more ideas to the Post Office like shared space. Really, what are we doing now trying to offer shared space? You have got a public sector which can deliver services. Let's not get Government involved in more and more competition. I think that is not the right thing to do.

Just finishing with Mr Skelly, on social value: it is social value, but that is *not* Government. The community can actually know and understand the value of social value, so let's just try and keep the Government and community separate.

Mr President, thank you very much for listening.

1320 **The President:** Hon. Member for Onchan, Ms Edge.

**The Chairman of the Post Office (Ms Edge):** Thank you, Mr President. I will try and get finished before lunch!

1325 I would just like to start and reiterate really what the Hon. Member for Rushen said with regard to some of the reports, that the Post Office are bringing forward some recommendations. This is a Tynwald Committee that is bringing forward these recommendations. I would also just like to remind to Minister Cregeen, Hon. Member for Arbory, Castletown and Malew it was during his time as Chairman that money was still going into the Treasury pot, and he did have the opportunity to look at that.

1330 But, as Chairman of Isle of Man Post Office, I would like to thank the Economic Policy Review Committee for their Second Report which focuses on the Post Office post-COVID. I am grateful for the opportunity that Isle of Man Post Office had to provide input to the Committee. The Committee has set out three strategic priorities for the Island which are relevant to the Post Office. I wish to comment on each in turn. Firstly:

That sustainable mail services (letters and parcels, on- and off-Island) must be retained;

1335 The EPRC's Report is a timely reminder of the dichotomy faced by the Post Office. Do Hon. Members want a postal service that provides an equality of service provision across the Island at uniform prices, supplemented by the provision of community postal services facilitated by staff enjoying dignified employment conditions? Or to see the postal service join a race to the bottom, to compete fairly with services founded in what appears to be the gig economy and its consequential worsening of service and employment conditions?

1340 With letter and packet volumes in decline from 38 million to 17 million items in the last 10 years, the exclusive privilege to convey letters is increasingly inadequate to protect the

1345 delivery service, the uniform price and community postal services. Isle of Man Post Office has had sustained growth in parcel volumes as a result of the growth in e-commerce, but the unregulated parcel market is increasingly competitive and sensitive to cost rather than equality, as UK logistics businesses like Hermes utilise the so-called gig economy of self-employed workers.

1350 A change to the exclusive privilege of Isle of Man Post Office would require Isle of Man Post Office to provide first- and last-mile deliveries off and on the Island for other local and UK businesses at set tariffs, unless the designated regulator allowed other providers to offer specific services under a licence, in the same way that the Department for Enterprise currently grants licences to local businesses to provide services within the exclusive privilege for the conveyance of letters. As the parcel market is unregulated, statistics on parcels and packets being transported on and off Island are not centrally recorded.

1355 Isle of Man Post Office employs 300 staff and currently has the largest on-Island network, with community postal services and delivery duties covering the whole Island. The vast majority of items we deliver are less than 1 kg in weight. Other on-Island businesses operate a range of freight and pallet transport, warehousing and trade and retail distribution services. Isle of Man Post Office believes the gig economy utilised by Hermes is the second largest network, delivering 1360 small packets and parcels less than 1 kg in weight. The gig economy is growing and is ultimately a threat to Isle of Man Post Office and other local businesses operating or seeking to operate one-man parcel-delivery services.

1365 Hermes UK is the main user of the gig economy on Island. With no place of business here, Hermes contributes nothing in rates, expenditure or VAT. They offer self-employed and self-employed-plus contracts to local people acting as couriers. These couriers are not employed by Hermes, thus Hermes does not pay employer National Insurance nor are they obligated to provide reputable employment benefits such as dignified pensions. To put this into context, Isle of Man Post Office estimates it contributes £17 million to the local economy annually through employment benefits, taxes, supplier payments and capital investments. For some time, 1370 Isle of Man Post Office has sought to engage for a review of the Island's gig economy. While this aspect was not included in the scope of the Chief Minister's Committee looking into zero-hours contracts last year, we were encouraged that the Committee recommended that a review of the gig economy be undertaken, which was supported by the Chief Minister.

1375 During the COVID-19 pandemic on the Island, Isle of Man Post Office was proud to continue providing its reliable service of mail from UK and international destinations by the dedicated mail plane, as well as containers by sea, to ensure its valued service at a time when customers needed it most was not disrupted. Also noteworthy are the checks and controls we complete in conjunction with Customs and the local Constabulary, successful in identifying illegal substances and illicit cash being sent through the postal system.

1380 The need for an examination of a reform of the exclusive privilege is supported by the unions that represent Isle of Man Post Office employees – the Communications Workers' Union and the Communication Managers' Association. Isle of Man Post Office Board recognises this is a complex matter and supports the commissioning of an independent review into changing the exclusive privilege to ensure the likely benefits and disbenefits are fully understood, allowing for 1385 all key factors including market size, economic benefits, local competition, employment benefits, environmental benefits and value for money.

1390 Looking at the Committee's second strategic priority regarding the retail network of post offices, the board is confident that the Tynwald-approved, financially and socially responsible, demand-driven retail network development strategy remains fit for purpose; with Isle of Man Post Office accountable for the provision of postal services while providing third-party services for Government and the private sector on a commercial footing where and when requirements arise. This was evidenced recently by the introduction of Lloyds Banking Services into Castletown and Peel and the cash transmission service last year. The board expects financial and socially

1395 responsible restructuring to continue over time aligned to the Tynwald-approved guiding principles, as demand for services change and retailers give notice on their service contracts.

The strategy is to retain services in communities in a financially responsible way using technology and innovation to reduce the footprint of our services, allowing retailers to maximise their private business income if they choose to. Sub-post office services are in the most part ancillary to a retailer's own private business, with the importance of the income to individual retailers varying dramatically as general stores benefit from a resurgence in demand for local convenience.

1405 A suggestion in the Committee's Report that a change in the Post Office guaranteed income could lead to the cessation of the only local shop in the village is unqualified. However, if this were true, it would be inappropriate for Isle of Man Post Office to be responsible for providing a subsidy to a private enterprise. The Committee's Report suggests that the working relationship between the Post Office and sub-postmasters needs to be reset and that action is needed to restore trust and confidence all round, with the suggestion that a special forum could be created to inspire a new shared, proactive approach to present future opportunities.

1410 This conclusion might have been reached on the basis of having spoken with a very limited number of sub-postmasters. As with all relationships there is always room for improvement, but we feel the relationship is more positive than suggested. Isle of Man Post Office communicates regularly with all sub-postmasters, meeting with them as a collective and on a one-to-one basis to help address changes over time. Isle of Man Post Office has a good working relationship with the National Federation of SubPostmasters, with whom the commercial contract for service is negotiated. We acknowledge the difficulty of falling transactions across the network as a result

1415 of customers choosing alternative methods of accessing services.

With regard to public services, Isle of Man Post Office welcomes any new opportunities if they exist, as the Committee feels they do so. However, a thorough consultation undertaken by Isle of Man Post Office across all Government Departments did not identify any material new opportunities for commissioning further public services on a commercial footing. It was also confirmed that this Government's Digital Inclusion Strategy is to bring more services online, with help for more people to access training and services at the Welcome Centre and libraries around the Island, with support from the third sector.

1420 The new DOI Minister, Mr Baker, has similar views to the previous Minister on future service provision of vehicle licences through Post Office counters and this is possibly a digital service for the future. I think we would all agree the move towards a cashless society has been accelerated by COVID-19 with the viability of digital alternatives thoroughly tested as a consequence.

1430 The case for a Post Office bank on the Island has been informally mooted on many occasions. While this remains an option for the Government it is difficult to envisage the business case for creating such an entity when retail banking services continue to be available on Island, free to retail customers, alongside an increasing number of prepaid cards now widely available.

1435 Isle of Man Post Office is proud of the relationship it has with banks to provide basic banking services on their behalf and its cash transmission service to facilitate cash deposits for local retailers, and remains open to extending the services to other interested parties. Interestingly, local banks are removing themselves from local communities as customers' habits move towards digital ways of transacting their banking needs.

1440 Isle of Man Post Office supports the Committee's suggestion that public services would benefit from the greater use of technology to enhance the personalisation of service delivery. From its inception, Isle of Man Post Office has actively tried to promote MiCard as a model for a single-use card for all public sector services. But to date this has been in vain, with multiple cards in use across different Government Departments. Therefore, we support the Committee's view that there is unexploited potential in this regard; and we support their suggestion of a review to consolidate card services to create financial and convenience efficiencies for the public.

1445 Turning to the Committee's third strategic priority, the board is open to facilitating additional checks and procedures for items inbound or outbound, as required, in the public interest. It is

worthy to note that taxation of imports might benefit local purchasing but may lead to a reduction in inbound traffic which will be to the detriment of Isle of Man Post Office's revenue. The Committee has also identified that the Post Office's relationship with Government needs clarity with essentially three masters at the present time: the Council of Ministers, Treasury and the Department for Enterprise.

1450

Unlike other Statutory Boards, the Post Office is required to be profitable and over the years there has been much discussion on its future. The board notes the changes in other parts of the Isle of Man Government including the creation of Manx Care and the corporatisation of the Isle of Man Steam Packet, as Government considers the wider economic landscape. The board looks forward to the single legal entity review to inform future framework possibilities, whilst wishing to make it clear that reform of the exclusive privilege is not dependent on changing its governance structure.

1455

At the heart of Isle of Man Post Office is its trusted status and recognised brand, which I think we would all agree in this Hon. Court should never be taken for granted but be nurtured and supported. There is no doubt that in recent years the Post Office has undergone significant change as it adapts and repurposes itself to be relevant in the ever-changing postal industry, notably obtaining support from Tynwald to successfully implement letter deliveries five days a week, a new shared-risk pension scheme for new employees, and its retail strategy as it adapts its services in line with customer demand while achieving significant savings and efficiencies. Indeed its transformational journey is far from over, not only to protect its future but its ability to provide employment, value-added services to its customers and a positive contribution to the Manx economy.

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I would like to thank the EPRC for their Reports and will be listening with great interest in the rest of the debate that ensues and look forward to recommendations coming back to Tynwald by the Committee. I sincerely hope that Hon. Members will take heed of the points I have made which are in the best interests of our trusted, well-respected Isle of Man Post Office and provide support therein. We will also contribute in any delivery of wider public services.

1470

Finally, Mr President, I would really like to finish with thanking all of the employees of Isle of Man Post Office for their hard work and their dedication and continuing contribution to Isle of Man life during the COVID-19 lockdown. **(A Member: Hear, hear.)** They were at the forefront of the pandemic. And I do feel for the executives sat here today when negative comments come out of this Court – people need to respect the hard work that does get done and continues to be done.

1475

I would also like to thank Mr Thomas, my new Vice-Chair, when he was Minister for Policy Reform, for ensuring that when Isle of Man Post Office needed additional employees we got many redeployed staff from the rest of Government. I would like to thank them very much as well.

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Thank you, Mr President. *(Interjection by Mr Thomas)*

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**The President:** Hon. Member for Ayre and Michael, Mr Cannan.

**Mr Cannan:** Thank you, Mr President.

Under Standing Order 3.20B(9) I would like to move that the General Debate be now concluded.

1490

**Mr Henderson:** I beg to second, sir.

**The President:** Hon. Members, the motion having been made for closure of debate, no amendment or debate to that motion is possible and I am required to put the motion to the Court forthwith, which I do now. Please vote with your voting buttons.

1495

*Voting resulted as follows:*

*In the Keys – Ayes 20, Noes 2*

**FOR**

Mr Ashford  
Dr Allinson  
Mr Baker  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Peake  
Mr Perkins  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
Mr Speaker  
Mr Thomas

**AGAINST**

Mr Moorhouse  
Mrs Barber

**The Speaker:** Mr President, in the Keys 20 votes for, 2 against.

*In the Council – Ayes 5, Noes 3*

**FOR**

Miss August-Hanson  
Mr Greenhill  
Mr Henderson  
Mr Mercer  
Mrs Sharpe

**AGAINST**

Mrs Lord-Brennan  
Mrs Maska  
Mrs Poole-Wilson

**The President:** And in the Council 5 for, 3 against. The motion carries.  
The mover has the right of reply. Mr Robertshaw.

1500 **Mr Robertshaw:** Thank you, Mr President. I will take that right, sir; thank you.

**The President:** Did you say you will not take that long? *(Laughter)*

1505 **Mr Robertshaw:** I will sir, yes.

**The President:** Oh right.

1510 **Mr Robertshaw:** I will try and keep it as short as I possibly can. Lunch beckons, I appreciate that. I thank everybody for their contributions in what has been a very interesting debate. I agree with the Hon. Member for Douglas North, that I think this sort of debate has its place in this Hon. Court.

I thank Mrs Sharpe for her contribution and for thinking outside the box; and for Mr Moorhouse, the banner carrier for many good things in the sub-post office network – very much appreciated.

1515 I will not try to address everything that has been said today, but I do feel, with the Court's approval, it is appropriate for me to address the comments of the Hon. Member for Middle,

Mr Shimmins, who is increasingly coming over as a very cold fish. (*Laughter*) (**Mr Henderson:** Realistic.) (**Mr Perkins:** Sardine!) He alluded to and personalised it a little bit with regard to me and the fact that I run a commercial laundry. Clearly Mr Shimmins knows  
 1520 nothing about laundries and he made that absolutely clear in his faulty contribution.

If I could just take him back in the history of this, there used to be a commercial laundry called Clucas' that did all laundry, including the Hospital. I was actually on the Hospital Administration Committee that decided we needed a specialist hospital laundry, so we built a specialist hospital laundry. The effect of the specialist hospital laundry, which concerns itself  
 1525 with infections and protection against those infections at a different level than a standard commercial laundry, means that it is to some degree isolated. But, because it was taken out of Clucas' Laundry and because at that time that company had not seen the future, Clucas' Laundry crashed and I was then foolish enough to decide that I was going to invest in a private sector laundry. So I do hope that the Hon. Member, Mr Shimmins does feel a little bit more informed  
 1530 about his faulty comparison.

There is one thing I would say about the esteemed Member, the cold fish for Middle, and that is he did not once mention people today. Everybody else did. Every single Member who contributed mentioned people. I did not hear the word 'people' from the Hon. Member. He has personalised it, so let's just perhaps also recognise the fact that the Hon. Member is very good  
 1535 at closing things, and bear that in mind. I think I better leave it there.

Mr Cregeen gave us a historical *tour de force*, which we appreciated I am sure, but I think the essence of the Committee's position was very much one of saying do not over-concern ourselves with who said what in the past or even currently, but this sense of vision and where we will go in the future. But nonetheless I appreciate his comment.

I will not comment much on Mr Baker's contribution, the *many* sound points that he made, but thanked him, as I did at the beginning for his contribution to the Committee. Thank you very much, sir.

I found myself agreeing with much that Mr Hooper, the Hon. Member for Ramsey said, (**A Member:** Hear, hear.) which was interesting. But I do think that we did indicate that we were not trying to in any way – and forgive me if I have misunderstood his contribution – trying to protect the current *status quo*. We were actually looking for change that was sustainable. A Committee of Tynwald, a Policy Review Committee, cannot be all things to all people, and as a number of Members have said, we cannot delve into everything. All we can do is, as the Hon. Member of Council, Mrs Lord-Brennan said, that we are just trying to nudge this Hon. Court  
 1540 towards where we think that we should go. I think there is a sort of consensus that we got there. But we do see the separation of the sub-post office to be more significant than it currently is. I will come back to that perhaps in a moment or two.

I thank Mr Skelly for his very open-minded and interesting contribution, and a recognition that it may be worth considering repositioning the Post Office in terms of the reporting system. I am grateful to him for his open-minded contribution.

I have touched on Mrs Lord-Brennan's comment that we need to get on with it, and I think we do. But to do that, we need to recognise what our responsibilities are in that.

I thank Mr Peake for his contributions.

To close, Mr President, just to pick up a few points on Ms Edge's contribution, the Member for Onchan, Chair of the Post Office, who gave a robust defence of the Post Office's position. I pick her up on one point about Hermes and this whole thing about exclusive privilege. Remember, the exclusive privilege comes with certain obligations, and if you were to adjust the exclusive privilege then you would have to consider and balance it off with those social obligations. I am sure that all concerned would be pleased to engage in such a process. But I  
 1560 rebut absolutely the comments made from various quarters about the idea that somehow the Post Office is trying to capture things that belong in the private sector, and come back to something I said at the beginning about the importance of standing by what we say we believe, which is a living wage.  
 1565



1570 We also believe in, and this is becoming more and more an issue, and you have heard me all  
witter on about this for a number of years, and that is the matter of National Insurance  
contributions, whether the many thousands of people who are shareholders in businesses who  
effectively do not contribute a fair National Insurance contribution, but also now at the other  
end, in elements of the gig economy etc. And one of the challenges that we will have in facing  
1575 the big issues that we have got is to make sure that *everybody* fairly contributes to National  
Insurance. That is not happening at the bottom and at the top, and therefore the weight falls on  
the middle. It is not good enough to simply say that the Post Office should compete with those  
who are not providing good terms and conditions for their employees or contributing properly  
to society. That is *not* fair competition. I am not suggesting that we should come in with a big  
stick in any shape or form. What I am saying, and what the Committee is saying, is that a Special  
1580 Forum would have the capacity to look at these things in the greater detail than one small  
Committee of Tynwald can.

I hope that I have grasped the feel of this Hon. Court today, in the sense that it would be  
sensible to think more carefully about how a Special Forum could be put together and brought  
back as a recommendation; and hope that in the fall this Hon. Court will consider that matter.

1585 I close on this issue about, although the Chair of the Post Office did robustly defend the  
relationship between the Post Office and the sub-post offices, I do think that it should be part of  
a Special Forum looking at that relationship and giving it a spotlight and can we improve it.

So, Mr President, with that I thank *all* the contributors to this interesting debate. I hope it has  
been worthwhile and I hope something good eventually can come out of it. So with that,  
1590 Mr President, I beg to move.

**Mr Thomas:** Well said.

**The President:** Thank you, Hon. Members.

1595 That concludes the General Debate at Item 46.

We have one further Item – a General Debate on racism – which we will take now at  
2.30 p.m.

Hon. Members, I must advise you that the Continuing Professional Development session for  
Members which was scheduled at 1.30 p.m. has now been deferred to another date and time –  
1600 another date for that.

The Court will now adjourn until 2.30 p.m.

*The Court adjourned at 1.06 p.m.  
and resumed its sitting at 2.30 p.m.*