



# Mole Valley Conservative Association's Newsletter

Issue 56; February 2012

## Welcoming Note

Welcome to the February issue of the Mole Valley Conservative Association's Newsletter from the House of Commons.

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We hope you enjoy reading the February issue.

## News from the House of Commons

### Sir Paul delivers Adjournment Debate



On Monday 27<sup>th</sup> February, Sir Paul made spoke to the House of Commons about the threat to the printed photo ID market, an issue which has been rased by Mole Valley constituency-based company Photo-Me.

**Sir Paul Beresford (Mole Valley) (Con):** I am particularly delighted to see the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning) on the Front Bench, as he has been aware of correspondence from other hon. Members, as well as from me, on this matter, and an early-day motion. Although the subject looks obscure, it is of considerable importance to a number of MPs. Much of the correspondence has been between me and Department for Transport Ministers. As part of the complaint goes across government, I have initiated correspondence with Cabinet Office Ministers. To complicate matters, at least one letter from Ministers to me did not arrive.

As my hon. Friend will be aware, I am concerned that the Post Office is entering the commercial business of providing identity photographs for Government documents such as passports and driving licences. That is in direct commercial competition with the extensive UK printed photo ID market. In his reply tonight, I suspect he will repeat comments made in one of his letters, in which he states that "the Department for Transport, in common with a number of other departments, has recent legal advice that suggests Post Office Ltd has to be treated fully equally with any other potential providers when bidding for government work, even though it is owned by the government. This is based on European Union Procurement Directives but since these are in place to promote competition and this is essential for us to maximise benefit to the public and customers, this is acceptable."

If the Minister will permit me a slang phrase, may I say that I recognise that an argument on the directive is outside his portfolio and perhaps above his pay grade? Nevertheless, for me, this approach is an appalling creep back to the old days of the Callaghan Labour Government, when organisations owned by government or, even more so, by local government were able to bid for private sector work, often at a loss, supported by the taxpayer or the ratepayer, as it was in those days. Admittedly, this is narrower as we are talking here of bidding for Government work only.



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I am seeking ministerial reassurance that as far as his Department is concerned there is no Post Office monopoly and the private sector can compete fairly for any contract with his Department in the UK printed photo ID market. In addition, it would be helpful if the Minister clarified why there must be a contract, which would obviously limit the outlets, particularly if the contract was won by the Post Office. Better still, in my opinion; there should be an open house on photo provision in co-operation with the Post Office to achieve the same ends.

I am sure that the Minister is aware of the commercial market's deep concern that it will be locked out of a huge business serving the public in the provision of photographs for driving licences, possibly for passports and other photographs that might be required by the Government. The issue has been brought to my notice by Mr Olivier Gimpel, chief operating officer of Photo-Me. The company's headquarters are in my constituency—indeed, in my home village—and every MP will be aware of the firm as its ID photo booth is situated in the same short corridor as the cash machines, which are effectively one floor below us now. Photo-Me is not the only firm to be deeply concerned about this issue. There are 7,500 outlets in the UK providing ID photo services to the public, which include 6,600 photo booths.

The provision of ID photos represents the core business of about 900 retail outlets, including retailers such as Photo-Me, along with firms such as Jessops, Snappy Snaps and Timpsons. In addition, there are uncounted numbers of independent photographic shops and photographers. I was astonished to find the size of the market for official ID photographs: approximately 5 million to 6 million a year for passports; 2 million to 2.5 million for 10-year driving licence renewals and other new driving licence applications; and about 1 million a year for foreign residents. The market is worth £45 million to £50 million a year and it is estimated that ID photo suppliers derive approximately half of their turnover from the official ID market.

As the Minister set out in one of his letters to me, in 2008-09 the Driver and Vehicle Licensing Agency faced the prospect of processing an additional 2.3 to 2.6 million 10-year renewal driving licence transactions, which could have required capital investment and scanning as well as 300 to 400 additional staff. As a result, the DVLA decided to supplement the existing paper channel with two further ways of renewing photographs to provide customer convenience and to contain costs. The first was the development of a web channel similar to that already used for first driver applications, taking photographs from the passport database, which, to me, makes eminent sense. However, the second was the extension by variation of the existing Post Office check and send channel by adding the capture of an image to the six-step transaction already undertaken by the Post Office, which meant that it was acting as a face-to-face intermediary of the DVLA and taking the ID photos. That would have required vast sums to be spent by the Post Office combined with training to provide a service that was already and is available from the commercial printed photo ID market.

The check and send service provided by the Post Office before 2010 was charged at £4 to each consumer, whereas under the new service it will cost £4.50 to have both the check and send and to capture the customer's digital ID picture and digital ID signature electronically. In order to deliver the service, the Post Office is investing £42 million of our money over five years with Cogent, a firm



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that is supplying the equipment and maintenance. The new service is to be charged to the consumer, as I have just said, at 50p. I recognise that my hon. Friend the Minister is exceptionally quick with mathematics—it is part of an Army training—but to save him the strain, my reckoning is that to generate turnover equivalent to the investment made by the Post Office would need 84 million transactions over five years, 100 times more than the demand estimated by the Department for Transport.

In effect, we therefore have a taxpayer-subsidised organisation providing a loss-making service. What makes that even more obnoxious is that the so-called efficiency plans could well run at a loss at the expense of the private sector, particularly at this difficult economic time. It is estimated that approximately 5,000 jobs are under threat and that hundreds of high street stores face partial or imminent closure if we cannot find a means of co-existence. I hope the Minister can help us with that tonight.

I am focusing on the Department for Transport because I understand that a contract is to be launched on 6 March. UK printed photo ID companies want to be assured that they will be able openly to bid, for which there must be a requirement in the contract specifications that printed ID pictures that can be scanned into a digital format may be used. The ID photo industry does not want a Government-subsidised organisation in the form of the Post Office to win a contract and continue to lose money on the provision of that contract at its expense. Furthermore, I, and I guess most people in the House, do not wish to have such a service running at a loss at the taxpayer's expense.

If the Minister cannot reassure me and therefore the photo industry, which will be watching his response carefully, I ask him to delay the contract so that there can be further discussions. If it is not inappropriate because of the Department's timetable I would be grateful for an urgent opportunity to meet the Minister face to face, quietly at the table, with one or two people from the UK printed photo ID market to discuss directly the opportunity of opening this market and perhaps saving me and every other taxpayer the prospect of funding the kind of losing service that I would have expected from the previous Government but not from this one.

**The Parliamentary Under-Secretary of State for Transport (Mike Penning):** I congratulate my hon. Friend the Member for Mole Valley (Sir Paul Beresford) on securing the debate. This has been an ongoing campaign for him and other colleagues, to the extent that there have been something like 56 letters from MPs, which have been responded to by Cabinet Ministers, particularly my right hon. Friends the Transport Secretary and the Business Secretary.

I am more than happy to meet my hon. Friend and a delegation from the industry to discuss this matter, but that might be the only part of this debate in which he will smile at me, because I think we are going to disagree on some points. I apologise for that, but I have to do what I think is right. I am not going to get into a debate about the number of jobs that might be lost on the high street, which he discussed, but the figure seems to change with each letter on this issue. I am not deriding his mathematics, but the industry moves around on this point. As the Minister responsible to the public in relation to the DVLA, I have to look at several things, one of which is the cost to the public of



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something that they are required to have. The photo ID driving licence has been in place for many years—since 1998. We also need to look at the new technology that has come forward. One thing that my hon. Friend has not picked up on this evening is the issue of fraud with driving licences and passports, which I shall spend some time discussing.

Since 1998, image quality has become more and more important, particularly with digital technology. The police, the courts and the Driving Standards Agency, the Vehicle and Operator Services Agency and the DVLA in my Department have made it a priority to increase the quality of the photographs that are produced as evidence of someone's ID when they want to procure, among other things, a driving licence with their photograph on it. As you may be aware, Mr Speaker, in recent years we have moved from black-and-white photographs to colour technology with driving licences, but technology continues to move forward. Digital photos are cheaper and much better in quality than they used to be and the secure management of such electronic technology becomes more and more important.

As my hon. Friend said, we have in recent years looked closely at how we can improve the quality of the photograph as part of the system of proving the identity of the person applying for the driving licence. Some 15% of this system is dealt with on the web, and it goes straight through to the DVLA on a regular basis, and that figure continues to increase. I shall come back to the significance of that figure in a moment. In the past 18 months, the Post Office service—the contract is to be launched in March, as my hon. Friend said—has taken 35% of the market in photographs for driving licences. That leaves 50% still being done in the old-fashioned way, by capturing the photograph and the photograph then being used in, normally paper, documents.

Why are the Government doing this? As my hon. Friend rightly said, it comes down to cost. There are enormous savings for DVLA if the photograph can be captured and transported electronically on to the system immediately and in the most cost-efficient way. The DVLA is funded by people paying fees, and the fees charged for a driving licence or other DVLA service reflect our costs. Naturally, in these difficult economic times, we have been trying to drive down costs as far as possible. That is therefore a significant factor.

Another significant factor of which I was unaware until I took this job is fraud. Recently in the press I have stated my concern about fraud when foreign driving licences are exchanged for British driving licences, but when I went to the DVLA fraud unit in Swansea, on one of my first ministerial visits, I was amazed to discover the extent to which members of the public fraudulently try to obtain a British driving licence. I accept that a British driving licence is a valuable item, because it can be used as ID and for many different purposes. Even though it was not designed as a means of identification, it is often used as one—for example, a person needs a driving licence to hire a vehicle, because it is regarded as an entitlement to drive as well as proof of age and address.

There are frequent attempts—hundreds every day—by people to obtain a British driving licence using a fraudulent photograph. They employ a vast range of methods, of which cut and paste is only one. We pick up as many such attempts as possible—we cannot guarantee to get all of them—and



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one option for us is digital scanning. One of the great benefits we have seen in the past couple of months from having a direct link to web or being able to scan at a post office directly into the DVLA database is that very soon after the application has been made, particularly at night when we can use computer downtime, we can compare the scanned photograph with the millions of photographs kept on the database. We do that not because we suspect that everyone is attempting to obtain a driving licence fraudulently, but because we know that a large number of people apply using multiple names and addresses. We can do that with the new technology, whereas the older technology makes it very difficult. Let me take this opportunity to say that we will pursue people who apply fraudulently for a driving licence through the courts, because making such an application is a criminal offence.

Even with the new technology, the market stands at 50:50. We have no intention of stopping people from choosing to use the traditional—I prefer to say old-fashioned—method. They can carry on doing that. Are we promoting the digital side of it? Yes, we are—of course we are—and that is why the contract is being issued. It is imperative that we are honest about that and that we ensure the public continue to have a choice wherever possible. There will be a market for both older technology and web facilities. All the evidence we have seen at DVLA, especially as we roll out the VED car tax arrangements, is that more is being done online and less in person.

My hon. Friend asked whether there will be a continuation of the older method. Yes. He asked whether I would consider delaying the bidding process in March. We have done a lot of work on that, and I do not intend to delay the March contract launch. I was also asked whether it is open to others to bid. Yes, but only on a like-for-like basis, because this is an example of technology benefiting the public. My hon. Friend asked whether we could meet in the near future. He knows that my door is always open to him. If any Member wants to see me, it is always my honour and privilege to meet them.

The two-stage approach that has been highlighted—I nearly said “pushed”—by the high street photo industry would take away the two classic advantages that I have just described: those of cost and convenience. However, the most significant factor, which I have dealt with at some length tonight, is fraud. I desperately need to clamp down on fraud. It is one of the burdens that this nation suffers from in that people desperately want to get hold of a British driving licence or a British passport.

The technology is being rolled out across government, and it is important that that should happen. At the same time, however, we must endeavour to keep costs down so as not to impose a burden on the public purse. Similarly, we must be conscious of imposing a time burden. The post office process will now take about 3.5 minutes from the person standing in front of the camera to receiving their entitlement to proceed. I continue to say that we are keeping an open mind, and that there is a place for the traditional high street photo market. At the same time, however, the Government have to move on. We need to do our level best for the public in relation to costs, time and fraud. That is why we are going to push on with this project.

**Sir Paul Beresford**  
**Member of Parliament for Mole Valley**



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## Feature Article

### Changing Faces and the Skin APPG



On Tuesday, 28 February, the All Party Parliamentary Group on Skin (APPGS), Chaired by Sir Paul Beresford, met in a Committee Room in the House of Commons to listen to representatives from the Charity, Changing Faces. The charity supports and represents people with disfigurements and they chose this opportunity to speak about the psychological effects of skin conditions.

There was an introduction to the psychosocial needs of patients who have skin conditions by Gemma Borwick, Learning and Development Manager for health and social care professionals at Changing Faces. She works across a range of specialities and with many members of the multi disciplinary team. Gemma works to raise awareness of psychological and social needs of patients who have disfiguring conditions through training.

Attendees then heard from Mandy Aldwin who is a founder trustee of the Ichthyosis Support Group. One of her main roles is to raise awareness of Ichthyosis and the work of the Ichthyosis Support Group amongst healthcare professionals and other relevant audiences. Ichthyosis causes a continual scaling of the skin and affects most, if not all, of the skin. As a trustee of the charity, and being an individual with Netherton's syndrome, a form of Ichthyosis, she is in the privileged position of being able to talk from the perspective of the patient and family, about not only the practical aspects of living with a chronic skin condition, but also the psychological impact such a condition has on daily life. She spoke about how distressing a simple trip to the supermarket or petrol station can be when she is constantly stared at or commented upon.

Lastly, the Group heard from Dr. Carole Easton who is Deputy Chief Executive of Changing Faces, who began her career as a child and family psychotherapist in the NHS and her PhD focused on physical abuse towards children. She spoke about improving integrated care for people with skin conditions and about a camouflaging service they offer which helps even very young children with birthmarks or other skin problems.

Changing Faces is launching a campaign later this year to draw attention to the psychosocial needs of patients and how vital it is to recognise this aspect of suffering from a skin condition. The charity hopes that the campaign will raise awareness not just amongst the general public but also MPs and the Department of Health so that policy can reflect the needs of this particular group of patients.



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## News in brief

### Private Healthcare Debate

On 21<sup>st</sup> February, Sir Paul had the chance to ask the Minister his views on providing tax relief to encourage people to take out private health care.

**Sir Paul Beresford (Mole Valley) (Con):** I may have an interest—a remote one—in this question. I expect my right hon. Friend would agree that every patient who chooses to have private health care rather than national health service care, for whatever reason, is one less case on the national health cost and care bases. Does my right hon. Friend agree that it may be appropriate for the Treasury to do a cost-benefit analysis so as to consider a tax encouragement for individuals, especially those over 65, to take out private health insurance?

**Mr Burns:** I do not want to disappoint my hon. Friend, but I am afraid I do not agree with that. What the Government have to concentrate on is giving the maximum amount of resources within the protected budget to the provision of health care in this country, to ensure, enhance and improve the quality of care for patients in England. That is the priority, not providing tax relief in any shape or form for people who use their choice for private health care.