



Mole Valley Conservative Association's Newsletter

Issue 63; November/December 2012

Welcoming Note



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

News from the House of Commons

The Photo ID Market



I was successful at securing an adjournment debate on Tuesday 13th November to talk about the future of the printed Photo ID Market. It is a subject which is of great concern to the company Photo-Me within the Mole Valley constituency.

Sir Paul Beresford (Mole Valley) (Con): It is a pleasure to be joined again by the Minister of State, Department for Transport, my right hon. Friend the Member for Chelmsford (Mr Burns). I believe this is the second time we have been the last two standing prior to a recess—I apologise, but that is the way it is. I raised this issue on the Floor of the House earlier this year, and lurking in the background is the Minister who responded to that debate but who shall remain nameless. There has been some movement since I last raised the matter, and today's Minister will be well aware of the widespread correspondence from many MPs across this House. I firmly believe that what is being proposed represents a fundamental misuse of public money to support the post office network—I have said that before and I continue to say it. The Government urgently need to address the situation, so that the private sector and the Post Office can be strengthened and can happily co-exist.

I want briefly to summarise to the House the background to this unhappy situation and to outline how the Government can and should intervene to allow private sector photographers and the whole post office network, not just the few, to thrive in an environment of co-existence. In 2009, the Labour Government decided to award a Driver and Vehicle Licensing Agency contract to provide identity pictures for driving licences to the Post Office. That was awarded without a business impact assessment or competitive tender. The contract took effect on 1 April 2010, when the Post Office started to capture ID pictures for the DVLA in about 750 urban high street offices using expensive Cogent equipment. Consequently, a large portion of the private sector printed photographic market has been removed and taxpayers' money is threatening to undermine private sector jobs in the photographic industry. The contract will end next year, and the Government have just announced that the Post Office will provide the front office counter services—FOCS—for the DVLA, as a result of the tender launched this year. Of course, that will have a knock-on effect in respect of others moving into providing photographs, such as those for passports.

The majority of outlets in the photographic industry are dependent on the official printed ID photo market for their survival. For some retailers, ID photos can equate to about 60% or more of their



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annual revenue. The private sector professional photographic industry, represented by the PMA—it was known as the Photo Marketing Association—includes: Kodak Express; Fuji images; Snappy Snaps; outlets such as Photo-Me and Jessops; and more than 1,500 independent photographers nationwide. We can add to that the vast network of photo booths, which benefit many retailers, as they provide an additional income, and adorn some of the areas in the House of Commons. Interestingly, hundreds of post office and sub-post offices have been receiving millions of pounds for having these units in their establishments. It is estimated that the welfare and livelihoods of more than 5,000 professional private sector photographers who work on the high street and in other networks are at risk due to a taxpayer-subsidised body endangering private sector jobs. The headquarters of Photo-Me are in my constituency, in the village in which I live, and the company is looking at sacking perhaps 60 staff fairly shortly.

I am grateful to Photo-Me's chief operating officer, Olivier Gimpel, who has, unsurprisingly, been pushing the point and ensuring I am aware of it. Private sector photographic industry representatives have been campaigning hard to mitigate the effect of the decision and have sought to work with the Government, the Post Office and the DVLA to find a workable solution. At a meeting between the photographic industry and the director of finance and strategy at the DVLA on 16 July, the DVLA made it clear that it wishes future ID pictures to arrive in a digital format. It proposes a solution that would see a photo retailer, studio or booth sending photographs directly to the DVLA, with the Post Office taking pictures, too. However, in order to guarantee work for the Post Office, as the front office counter service provider, the photographic industry has proposed a better and, I believe, higher quality and cost-effective scanning solution. That will not only meet the quality requirements of the DVLA but preserve jobs at the Post Office and ensure the survival of the private sector photographic industry. The Post Office would in future scan printed ID pictures and thus deliver a digital image.

Discussions between the DVLA and photo industry are ongoing, and following the July workshop it was proposed that another take place on 27 November, so I am hopeful. I know the Minister will want that to be a success and I share that sentiment. If the Post Office is asked to scan printed ID pictures it will guarantee work for all post offices in the future, not only those 750 branches that have had the expensive and large camera technology installed.

I, and I suspect many other hon. Members, will wish to see all our respective sub-postmasters benefit from a solution that allows them to enjoy the ability to scan printed photographs with inexpensive, easily operated and compact equipment in their little post offices. For example, I do not want my own Bookham post office or any Mole Valley post office to start complaining that potential customers have started to travel to Guildford to process ID pictures, as that is where the nearest camera is. It is miles away and not easily reached from many parts of my constituency. I want my local post offices to benefit from the market. In fact, all 11,800 post offices could.

The solution proposed by the photographic industry is best, wide-ranging and cheap and it would work. What matters is that the Post Office should be appointed as the FOCS, which has happened. It should not become a total substitute for the private photographer. My colleagues should understand



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that the proposed PMA solution would have a positive impact for the whole country and for 11,800 post offices, not just 750.

As a Conservative who wishes to see the high street and our private sector grow, I find it worrying that subsidised, expensive technology is marginalising private sector high street photographers and will demolish their market. They are, after all, small business people who have had the foresight to devise a solution that delivers the digital agenda, saves thousands of private sector jobs and provided virtually all post offices with guaranteed future work. It must be the nation's choice. I have to tell the Minister that I find it unacceptable that the DVLA has in the past sought to create unnecessary hurdles in an attempt to derail the solution. It appears to me that there was and perhaps still is an attempt simply to wave the problem to one side, which is why I am here tonight. In addition, the DVLA seems to be claiming that it is not prescribing how the picture should be taken and that the front office counter service is responsible for setting the method. I believe that it has been setting new and apparently random photo resolution requirements that do not appear to be in line with British or international standards but provide a hurdle that the outside private sector photographers could find difficult to overcome. I have asked the Home Office a written question on this matter and received an answer that is oblique, to put it mildly. I used to specialise in oblique answers when I was a Minister, but this one takes the prize.

To sum up, I want the Minister to appreciate five important points that I think will offer a solution. First, the DVLA wants digital ID images of a high quality. The photographic industry's scanner solution provides that. Secondly, the DVLA front office counter service tender necessitates Cogent scanners. The photographic industry's proposal will use those scanners and not require more spending, or the maintenance of expensive Cogent digital camera equipment. Thirdly, the DVLA wants photographs of a high quality that meet strict criteria. That is met by the printed ID pictures that are taken by photographic specialist professionals. Fourthly, the DVLA wants a paperless office at Swansea. I understand that in reality, from what I can pick up, the DVLA actually intends to keep paper records of applications, including pictures. The industry's solution, however, would satisfy the paperless office desire.

Fifthly and finally, we as a nation must value our Post Office. The photographic industry's solution will strengthen the relationship and will better support the many thousands of post offices. Many of these are suburban, or in my case rural, but do not and cannot and cannot be expected to host the expensive and large Cogent equipment. However, they can adopt, adapt and operate simple, much cheaper scanners. The industry's solution will strengthen the Post Office's future right across the UK.

I hope that the Minister will look at the matter very carefully in the next few days, and I would be delighted to have a meeting to discuss it with him because a short debate such as this does not allow an exchange of ideas and opinions. It is vital that we keep the industry moving.

The Minister of State, Department for Transport (Mr Simon Burns): I congratulate my hon. Friend the Member for Mole Valley (Sir Paul Beresford) on securing the debate. I know that this



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issue is important to him, because this is the second debate that he has secured on this topic in the past 10 months. In the previous debate, the then Under-Secretary, my hon. Friend the Member for Hemel Hempstead (Mike Penning) promised to meet my hon. Friend and a delegation from the photographic industry. That meeting took place in March and further meetings have since taken place with officials from the Driver and Vehicle Licensing Agency. I think we now have a very good understanding of the situation and I would like to set out some of the key issues concerning the driving licence and the driver's photo.

The DVLA plays an important role both in law enforcement and road safety. The photographs that have been incorporated in driving licences since 1998 provide critical support for the police and other enforcement agencies by linking the person behind the wheel with the entitlements to drive that they hold—or perhaps do not hold. The photographs held on the DVLA database are just as important as those on the licence itself, because the police have direct digital access to them for motoring enforcement. The quality of the images is therefore paramount. That helps the police recognise repeat offenders, and just as importantly it makes it easier for ordinary motorists who—in the past, and sometimes still today—have been asked to take their documents to police stations. The Driving Standards Agency also has digital access to photographs on the DVLA database. A high-quality image is important for all of them, as I am sure my hon. Friend fully appreciates, given his comments.

DSA driving test examiners have in recent years seen an increase in impersonations or substitutions at driving tests. High-resolution images that can be made larger on screen provide greater confidence when checking the identity of an individual and counter the direct challenge to road safety. The quality of images has increased greatly over recent years. Almost all photographs are now taken, stored and transmitted digitally. The industry itself has been transformed. That change has been driven not by Government intervention, but by customers and the way that they choose to use the products on offer. At the same time, these new technologies have hugely reduced the cost of taking photographs. However, there is a downside for organisations such as the DVLA and the police, in that such photographs are open to manipulation, especially if taken by the individual using their own equipment.

The DVLA continually seeks cost-effective ways of improving the quality of images that it receives and of increasing convenience for customers while meeting the Government's drive for "digital by default". An example is the face-to-face service available at post offices which, since 2010, has included taking photographs at the counter. That service is now available at 752 outlets, as my hon. Friend mentioned, and has proved to be a simple and cost-effective solution for customers. The quality of the photographs taken is controlled by software in the equipment and face-to-face supervision by the counter staff. The process adopted for renewing driving licences with photographs that are 10 years old, for example, takes just over three minutes. That includes taking the photograph, capturing any data changes, collecting payment and transmitting all the information securely and electronically to the DVLA. The driving licence lands on the customer's doormat typically within two or three days of their arriving at the post office counter.



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There are also major efficiency benefits for the DVLA. The transactions can be fully automated and, because of the personal supervision at the counter, there are virtually no rejections of data owing to the quality of the image. The service is a major improvement. Feedback from customers has been hugely positive: over 80% state that they would recommend the service to family and friends. Alongside that new customer channel, the DVLA introduced in 2011 a web channel for direct customer use. In those transactions, on agreement with the applicant, photographs already submitted to and verified by the Identity and Passport Service are reused by the DVLA. There are constraints on the age of such photographs, but it allows the public to make the transaction from home in an entirely convenient and effective way.

Those two channels are very much in line with the Government's digital strategy, which was published at the start of November by my right hon. Friend the Minister for the Cabinet Office. Digital transactions are securely and conveniently undertaken and are making significant savings across Government. Web channels have been in place since 2005 for first applications for driving licences and replacement driving licences, and for new driving licences for the over-70s and for those wishing to notify a change of address, but in the choice of the three available channels we have seen a migration from paper to the web over the past two years. Some 18% of customers now choose the web, 28% use counter services and the remaining 54% of transactions are dealt with on paper.

The web channels and the counter service currently sit alongside the older paper channels, but those channels are inconvenient for customers. The forms are less easy to navigate than their electronic equivalents, which have in-built checking systems, and customers must obtain photographs separately and post them along with their forms. Processing paper copies is vastly more time consuming and costly for the DVLA than electronic requests, especially for rejected transactions, which are inconvenient and expensive for all concerned.

Introducing the new web and counter services for 10-year driving licence renewals has saved the DVLA at least 200 staff and brought a financial saving of around £5 million each year for the Government. At the same time, the quality of photographs, the accuracy of data and customer satisfaction have increased and the number of rejections has fallen. Continuing and expanding the digital and automated channels forms an important part of achieving the DVLA's target of reducing its annual running costs by £100 million, against its 2010 baseline, by the end of this Parliament.

My hon. Friend will have seen this morning's announcement of the Post Office as the successful bidder for the DVLA front-office counter service contract. I know that the vast majority of right hon. and hon. Members will welcome that award, because it is an important part of ensuring that post offices and sub-post offices, both urban and rural, have an opportunity to provide a valuable service within our local communities. However, the contract has been let as non-exclusive specifically to avoid the creation of a monopoly supplier of a range of services to Government, including photographs, and to allow collaboration with the photographic industry to continue. I believe that my hon. Friend has already received an assurance on this aspect in response to his recent parliamentary question. I assure him that we do not want a monopoly supplier, because that is not in the best interests of customers, the Post Office, or the photographic industry in general.



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The DVLA and I do not wish to create monopolies, but we do want to provide choices for customers and to allow the market to determine the solutions for the future to support industry in moving in the right direction. We want to take all the opportunities we can through advances in technology to improve customer services in quality and cost; to use digital technology to reduce manual administrative tasks while improving security and seeking automation of processes from one end to the other to improve accuracy and quality of data; and to actively pursue the wider Government agenda to move to “digital by default” wherever possible.

Where there are new opportunities, there are always challenges of change, and changes that are enabled by new technologies can be disruptive for existing industries. That is why the DVLA needs to work with the photographic industry to enable this transition from the old to the new in order to develop a solution that works for the DVLA and other Government agencies but, equally importantly, that provides the best solution and retains choice of provider for the public.

The meetings and workshops between the DVLA and the photographic industry have identified two possible solutions for exploration. The contract award to the Post Office and the solution that it has in place now needs to be considered as part of the next workshop to assess how these solutions interact with or complement the counter services contract. There are two major providers to be considered: first, the professional photography sector, which already takes digital photographs and in many cases will need to make only relatively simple adjustments to its processes to transmit the photographs in order to interface with DVLA systems; and secondly, self-service photo booths, which may need the phasing in of additional technology to meet the full digital approach to benefit both customers and the DVLA best. As my hon. Friend said, the next workshop to take that collaboration forward is scheduled for a fortnight's time. It will be attended by representatives from the self-service booth sector as well as those from the professional photography sector—specialist high street chains and independents.

My hon. Friend the then Under-Secretary formally initiated that collaborative effort, and it would be extremely helpful to continue the work with a further meeting between my hon. Friend the Member for Mole Valley and Department for Transport Ministers. That would be an important opportunity for us to review progress following the meeting with industry representatives towards the end of this month. It will be important for Government to work with the industry to develop solutions that are less expensive, more convenient and, equally importantly, maintain choice of provision for customers, which is the nub of my hon. Friend's argument. I hope that he will accept the invitation to that meeting; I suspect that he will, because he requested one in the closing moments of his speech.

The crucial thing is to get the interested parties and my hon. Friend around the table so that we can begin fully to thrash out the alternatives, the opportunities and the different proposals; see what can be done to take forward a system that will provide not only choice but value for money both for taxpayers and for customers; and ensure that we have a plethora of different outlets to provide a service whose technological improvements, which we cannot afford to not keep abreast of, are advancing dramatically. At the same time, we cannot be seen to be creating monopolies that will



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undermine the vibrant role that the private sector, which has played such an important role in the photographic sector in the past, can continue to play.

I am confident that our meeting will be productive and useful for all sides. I look forward to it so that we can address the control and security improvements required by the DVLA in order to address fully the fraud and ID security challenges that it faces. It will also provide an opportunity to discuss the variety and freedom of choice offered by the private sector's contribution, in its different facets, to a service that is used so often by so many of our constituents up and down the country.

Paul Beresford
Member of Parliament for Mole Valley



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Feature Article

The Campaign for Safe Young Drivers



The Association of British Insurers (ABI) has analysed the safety record of young drivers on British roads and written to all MPs with their findings. The Department of Transport's data reveals that Mole Valley is ranked 85 for deaths and serious injuries involving young drivers.

Clearly many young people are responsible and safe drivers but sadly both the inexperience and behaviour of too many young people means that drivers aged between 16-25 pose a major danger on the road to themselves, their passengers and other road users.

The Mole Valley statistics are worrying. There were 127 people killed or seriously injured in accidents involving cars driven by young people between 200 and 2011 with a further 1336 people less seriously injured. In September, the ABI launched a report on 'Improving the Safety of Young Drivers' which details the scale of the problem nationally. Furthermore, it analyses the factors behind young drivers' poor safety record. In conclusion, they set out a number of proposals which they believe would reduce the risk posed by young drivers. These include:

- A one year minimum learning period, and a ban on intensive driving courses
- Lowering the age at which young people can learn to drive to 16½ years
- Limiting the number of passengers allowed in a car with a new, young driver
- Restrictions on night time driving for new, young drivers
- Zero tolerance on alcohol

Due to young drivers accounting for a disproportionately high percentage of official accident figures each year, young drivers and their parents are experiencing very high car insurance premiums. The large compensation awards for deaths and severe injuries need to be paid for through premium levels. As this problem is not unique to the UK, a number of governments and jurisdictions worldwide have introduced bold measures. Post-test restrictions have been implemented in all US states, New Zealand and areas of Canada and Australia.

This campaign for Safe Young Drivers received widespread media attention during Road Safety Week, 19-25 November, and it is good to see that the important subject of safety of young drivers and road users is being given the high level of attention it warrants.





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News in brief

Paul's Prisons Bill's Successful Passage through Parliament



On 9th November, the highly respected and knowledgeable Lord Laming (pictured), introduced Paul's Private Members' Bill, Prisons (Interference with Wireless Telegraphy) Bill, to the House of Lords for its Second Reading. Six further Lords spoke about the Bill but ultimately all were in support of this vital Bill.

Lord Laming: My Lords, the Prisons (Interference with Wireless Telegraphy) Bill is a small Bill, but I hope the House will agree that its importance far outweighs its size. First, I congratulate Sir Paul Beresford MP, on introducing the Bill in the other place and for so skilfully piloting it to this House. I am most grateful to have this opportunity to take forward his hard work.

The Bill was able to skip the Committee and Report stages in the House of Lords as no amendments were set down and no Lords wished to speak in Committee. Therefore, the order of commitment was discharged and the final stage of the Bill, the Third Reading, took place in the House of Lords on 4th December. Again, no amendments were tabled and the Bill was nodded through. The Bill, now an Act, received Royal Assent on 19th December.

Mole Valley MP supports Local NFU



Paul Beresford joined the Mole Valley branch of the NFU for their Christmas celebrations at the Abinger Hatch Public House last week.

Paul said, "Not only am I a member of the NFU but a supporter of the local branch. I have been associated with the farming community in my youth and as a student. It was natural to support these Mole Valley farmers. Seldom seen, they are a considerable source towards the local community. They are the unseen suppliers of much of our day to day food supplies. These farmers and their families are an important part of our community."

Commons' Sense



All households in the constituency of Mole Valley should have had a copy of *Commons' Sense* from Sir Paul Beresford MP posted through their letterbox within the last few weeks. We hope that you enjoyed reading it and found the articles informative. If you have not yet received this newsletter, please contact the Mole Valley Conservative Association office in Dorking on 01306 883312 and they will be happy to send you a copy.

House of Commons' Christmas Recess

The House of Commons will rise for the Christmas Recess when the House is adjourned at the end of business on Thursday, 20th December 2012 and will return on Monday, 7th January 2013.

 Paul Beresford MP and his staff in the House of Commons 
wish you all a very

Merry Christmas

and a

Happy New Year