

APPENDIX 5A & 5B

Summary of the Government's proposals for the Post Office network

- We intend to make substantial further funding available over the five years to 2011. This will support the necessary restructuring and modernisation of the network to put it on a more stable footing and provide ongoing support for the social network up to current levels. There will be a need for an ongoing subsidy of the social network beyond 2011.
- We propose to introduce new access criteria for the national Post Office network which includes criteria to protect vulnerable consumers in deprived urban areas and rural and remote areas.
 - *Nationally*, 99% within 3 miles and 90% of the population to be within 1 mile;
 - In *deprived urban areas*¹, 99% of the population to be within 1 mile;
 - In *urban areas*, 95% of the population to be within 1 mile;
 - In *rural areas*, 95% of the total rural population within 3 miles.
 - In *remote areas*, 95% of the population in postcode districts² within 6 miles.
 - Across the country as a whole there cannot be a 'one size fits all' approach to access criteria. In applying them, Post Office Ltd will take account of local conditions such as rivers, mountains, valleys, motorways and sea crossings to islands.
- The proposed new access criteria are in recognition of the important social role that post offices play in communities across the country.
- A national network is necessary to ensure that people have access to cash and benefits especially in remote areas.

¹ deprived urban communities are those in the 10% most deprived super output areas as identified by the Indices of Multiple Deprivation

² a postcode district is the first part of the postcode e.g. SL9. There are 2,795 nationwide of which 38 do not currently meet this criterion. These 38 will continue to be exempt but we will not allow any further postcode districts to be exempt.

- The current Post Office card account (POca) contract ends in March 2010. The Government has considered and decided that it will continue with a new account after 2010. This will be available nationally and customers will be eligible for the account on the same basis as they are now.
 - We recognise the important social and economic role of post offices and we are committed to maintaining a national network but we also recognise that some restructuring will be necessary to put it on a firmer, more sustainable footing.
 - We will provide support for a restructuring of the network with up to 2500 closures within that framework which will maintain a national network. Subpostmasters leaving the network under the restructuring programme will be compensated. We expect that Post Office Ltd will implement this process over an 18 month period from summer 2007, giving priority to protecting vulnerable communities in villages, towns and cities.
 - We also intend to provide support for Post Office Ltd to open new Outreach locations to provide access to services for small remote communities by building on the success of the pilot trials including mobile post offices and post offices hosted in other locations such as village halls, community centres or pubs.
 - We will provide support to enable Post Office Ltd to expand into new areas of business including the development of its new financial services products, such as savings and insurance, and provide finance to restructure and modernise and restore the network of Crown post offices to profitability transforming them into flagships of the Post Office brand alongside a number of closures and continued franchising through link-ups with experienced retailers.
 - Post Office Ltd plan to develop new market and business opportunities for the network among Internet companies and other mail operators. For example, a key area of opportunity currently being trialled is to provide customers with the ability to pick up parcels they have ordered through mail order companies or via Internet services from post office counters. The company is also planning a rapid roll-out of up to 4,000 free to use ATMs across the network.
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- For the longer term beyond 2011, we propose to investigate what role Local Authorities in England and the Devolved Administrations in Scotland, Wales and Northern Ireland might play in influencing how the postal services are best delivered in the future.

The Post Office Network

Consultation Response Form

The closing date for this consultation is 8 March 2007

You may find it helpful to set out your responses to the consultation using this response form.

Name:

Organisation's name and remit (if applicable):

North Yorkshire County Council

Provision of a wide range of services to the residents of North Yorkshire

Address:

County Hall

Northallerton

DL7 8AD

Email:

Return completed forms (preferably by e-mail) to:

Postal Office Network Consultation

Department of Trade and Industry

Response Centre

1 Victoria Street

London

SW1H 0ET

Fax: 00 44 (0) 20 7215 5329

E-mail: dti.enquiries@dti.gsi.gov.uk

Please cross one box from the following list of options that best describes you.

- Individual
- Individual - Subpostmaster
- Small to Medium Enterprise
- Trade Union
- Interest Group
- Regional Organisation
- Devolved Administration
- Local Government
- Central Government
- Other (please specify) _____

Please feel free to answer as many or as few questions as you wish. It is helpful if you can explain your views as fully as possible in the comments boxes, especially where you disagree with the proposals set out in the consultation paper.

Question 1.

Do you think the Government's forward strategy for the post office network addresses all the key issues and challenges the network faces?

Yes No No view

Comments

The Government's Forward Strategy on post offices does not provide a clear, long term view – communities and businesses want to see longer-term stability for the Network based on a clear Government Vision.

It is unlikely that post offices in rural areas or in urban deprived wards can ever be fully sustainable (by the nature of the market that they are serving); Government policy in other areas (including the Local Transport Plan, social inclusion plans, planning guidance, etc) emphasises the importance of retaining local access to services for the social and community benefits to maintain sustainable communities.

The Sustainable Communities Bill, currently going through parliament as a private members' Bill, strongly and clearly advocates the retention of local services to avoid the ghetto-isation of communities. Policy has previously stated that access to post offices, amongst other services, should be retained to increase social inclusion and to ensure that no community is unduly disadvantaged by where they live – residents in these areas have a right to be able to access a basic level of services. There has previously been a presumption against post office closures in rural areas.

More detail is required on the range of products and services that customers need / expect – how will this be determined?

The list of the range of new products and services that will be available through post offices needs to be set in the context of the timescale – if post offices have been closed then the new services could not be delivered. Some consideration needs to be given as to the profitability of these new services as subpostmasters need some assurances that they will mitigate the losses that have been caused by reduced custom for television licences, benefits payments etc.

We would welcome the proposal to introduce new free-to-use cash machines as a means of addressing financial exclusion, in particular as cash machines are hard to come by in many rural areas and the ones that do exist (for example in shops or petrol stations) incur a charge for use. These charges impact greatest on those that can least afford it, such as the elderly and those on a low income, who tend to withdraw smaller amounts of cash more frequently (as a means of enabling them to budget and for security purposes). However, further details are needed on where these cash machines and PayPoints would be sited – if they are not provided in those communities that lose their post office service then they will not resolve the financial exclusion caused for those residents.

The issue of low footfall (point 5.10) in some offices could be addressed through means other than closure, such as the new products referred to and by making the outlets through which postal services are available more attractive so that they can compete with other businesses. Post offices (outlets) need to be transformed so that they are attractive and competitive to enable people to see a clear advantage in using their local post office.

The suggested franchises within stores such as WHSmith raise some concerns, including:

- Continuity of service delivery – what safeguards will be built in to ensure that franchisees (in the commercial sector) do not remove services due to their potential lack of profitability?
- Will this lead to a further erosion of the post office brand (given that stores such as WHSmith are currently a competitor of the post office for the sale of stamps and associated stationery) and potentially lead to further closures of other post offices?

We would welcome the commitment to providing alternative services to communities that lose their post office but only as a last resort when no real alternative to retaining the current service can be found. The suggestion that some models of outreach service might result in a wider range of services being available for some communities is welcomed where no alternative to the closure of the current post office can be found.

Question 2.

Are there other significant factors affecting the future of the post office network which appear to have been overlooked in the Government's proposed approach?

Yes No No view **Comments**

For rural areas the access criteria have not taken the availability of public transport, the additional time spent travelling, the additional cost, pollution and congestion caused by travelling or the impact that the closure of a post office can have on associated businesses such as the village shop and local businesses. Lessons learnt from previous rounds of post office closures (such as the Urban Reinvention Programme) need to be taken into account.

- Availability of public transport

In many rural areas public transport is minimal and where it does exist it can be inconvenient to use for many purposes – some areas have bus services which only permit a very short amount of time at the given destination before the last bus back departs, whereas others have bus services which would mean far too long a time would have to be spent at a given destination before a return service is available. Where post offices are going to be replaced with 'alternative services' such as mobile provision, the availability of public transport to reach that service needs to be taken into account, for example if the only bus service arrives after the mobile post has departed this will exclude many people from accessing postal services. In Age Concern's research, older people expressed reticence about asking family and friends for lifts as it would erode their independence, highlighting the need for local service provision or adequate public transport. In addition, public transport is not always accessible to all members of society – for example a bus that did not have the ability to 'kneel' would not be accessible for some older people, parents with pushchairs and disabled people who use a wheelchair.

- Additional time spent travelling

Even for those with access to a private car, the additional time spent travelling to access post office services does not appear to have been considered. In many rural areas the road infrastructure cannot take the shortest route as a result of the geography (hills, rivers, lakes etc) resulting in longer travel times than might be expected. This will impact on both domestic and business consumers.

- Additional cost of travelling

Residents in rural areas already have to travel much greater distances to access many services – the services that remain in rural towns and villages reduce this need to travel for some of the most vulnerable people in these communities. Travelling to access postal services will incur a cost for those who can least afford it (the elderly, people on a low income, disabled people etc) as well as business consumers for whom the extra time spent travelling means time away from running their businesses. This was cited in Age Concern's research as being a particular problem if accessing postal services meant driving to the nearest town where parking was a problem – time spent searching for suitable parking was seen as stressful – particularly for people that have impaired mobility, where the distance from the car to the post office could be a problem.

- Environmental factors

Although perhaps perceived as a minimal increase, the additional journeys required to access postal services would contribute to additional traffic (and potential congestion) and emissions from vehicles; all at a time when people are having to increasingly consider the impact that their actions have on climate change and the environment.

- Policy inconsistency

Policy from other Government departments promotes maintaining access to vital village services for example the accessibility planning required as part of the Local Transport Plans focuses The Sustainable Communities Bill which is going through Parliament at the moment as a Private Members' Bill (which has cross-party consensus support) makes a strong case for the retention of local services to maintain healthy and sustainable communities as well as arguing for local decision making and local solutions to local problems. In addition, Government policy has led to the removal of core business from the post office network which contributes to the reduced sustainability – for example payment of benefits and pensions directly into bank accounts, online purchasing of television licences and road tax. A clear Vision from Government is required to remove the uncertainty regarding the future of the Network (beyond 2011).

- Impact on other businesses

In many villages the post office is combined the last remaining village shop – and they often rely on the custom that one aspect of the business brings in to support the other, for example people coming to post their letters and parcels may purchase newspapers, bread, milk and other essentials. The Age Concern report highlights how valuable these services are to older people and disabled people, some of whom have no alternative means of accessing these services. By closing the post office the village shop in many communities may be compromised – research by MORI/ERM on behalf of Postwatch and the Commission for Rural Communities found that 75% of post offices in rural areas are run alongside another retail business.

Like many rural areas, North Yorkshire has a high level of small businesses (85.4% of businesses employ fewer than 10 people) – these small businesses are spread across the County and, in line with the findings of the Federation of Small Businesses, rely on access to postal services for the effective and efficient operation of their businesses.

- Lessons learnt

The MORI/ERM research (2006) also concluded that reviews for closures should be undertaken across an area (such as a local authority or post code area) and take account of the following:

- walking distance to the closest alternative;
- topography;
- socio-economic indicators, including: age, health, income, car ownership and index of multiple deprivation;
- reliance on and availability of public transport;
- impact on the local economy; and
- alternative post office service providers, including: accessibility for customers with disabilities, products and services plus opening hours.

We would endorse this conclusion. We would welcome further guidance on the criteria that will be used to decide which post offices close locally.

Question 3.

Do you have comments on the national access criteria proposed?

Yes

No

No view

Comments

We would like to see more information about how the social benefits of post offices will be quantified – the proposals assert that the Government recognises the social benefits of post offices but does not go into any details about how these will be measured and taken into account as part of the process.

Question 4.

Do you have comments on the access criteria proposed for deprived urban and rural areas?

Yes

No

No view

Comments

The quota for access to postal services in rural areas is going to be measured nationally (as stated in the proposals) which could result in the aggregated data masking variations where sparsely populated counties such as North Yorkshire have a much reduced level of service. Each case needs to be sensibly considered at a local level to ensure equity of access is achieved as far as is possible – local consultation must be part of the process when considering the removal of access to post office services (we would question whether 6 weeks is adequate time for local consultation – the Compact with the voluntary and community sector requires 12 weeks for such a consultation).

Question 5.

Do you have any suggestions as to how services might be better delivered through the post office network?

Yes

No

No view

Comments

We would welcome the suggestion within the proposals to include local authorities in the decision-making and delivery of post office services in their areas; local authorities are well placed to understand local communities and make decisions that meet the needs and aspirations of these communities.

North Yorkshire County Council would welcome any opportunity to be involved in such discussions – we believe that we have the local knowledge and experience to be able to assist in the delivery of an effective and accessible local post office network. Local solutions could include, for example North Yorkshire County Council's Extra Care Facilities (which are replacing Elderly People's Homes) incorporating services such as shops and post offices within them and would lead to more integrated communities and the retention of vital services for all residents. Mobile library services already visit many communities

and the librarians on the buses are well-known to local communities – there could be opportunities to combine postal services within the mobile library bus.

North Yorkshire County Council is keen to explore innovative solutions to the provision of postal services for those communities that lose their post office as part of these proposals.

We would encourage the exploration of additional products that might be delivered through post office outlets; for example encouraging all high street banks to make their basic services available through post offices would help alleviate financial exclusion as well as adding to the sustainability of the post office outlets (in particular given that many rural communities have lost their local bank branch (4% of villages have access to a bank yet 60% of villages have access to a post office – Postwatch 2004/05).

Question 6.

Do you have any comments on Outreach arrangements as a means of maintaining service to small and remote communities?

Yes No No view

Comments

We are pleased to see a commitment to retaining access to postal services; however we would agree with the findings of the Age Concern report which states that alternative arrangements can only be satisfactory where they are the only available option, i.e. the last resort if the post office must close.

There is no information in the proposals as to how these alternative arrangements would be funded – if the network is to become more profitable / sustainable, how will that requirement affect the alternative arrangements if they are no more profitable / sustainable than the offices that they have replaced. What security of continuity is the Government offering to these communities?

Question 7.

Do you have comments on the practicality of community ownership of parts of the post office network, which might involve the transfer of assets to community organisations and/or the establishment of local mutual or co-operative organisations to own and run local services?

Yes No No view

Comments

Community ownership of services such as shops and post offices is increasingly being used to retain access to services in rural areas. Whilst this works well in some communities it cannot be relied upon as a single solution for all communities – this model predominantly relies on community goodwill and volunteer effort to provide a service.

In many rural areas the number of people available to volunteer can be from quite a small

pool of residents and many people are often already involved as volunteers in a wide range of activities (school governors, parish councillors, village hall management committee, playing field and play area committees, caring for friends and relatives, etc) – it needs to be considered as part of any proposal that places emphasis on community ownership that this can be more difficult for rural communities.

Start-up costs need to be considered, as the closure of the post office can mean the loss of the premises as well, as some subpostmasters run their business from their home – in many rural communities access to premises can be difficult and costly, in particular in areas such as the two National Parks in North Yorkshire which have a high demand for properties. Smaller rural communities can have fewer (financial) reserves to draw upon, although goodwill and enthusiasm can often result in impressive results that belie the apparent resources available.

The rules and regulations affecting the running of a post office service need to be commensurate if volunteers are to be expected to deliver these services, and training needs to be available for this purpose.

The Rural Transfer Advisors that have been available to support communities that have lost their post office have been well respected and provided expert and invaluable support – what provision has been made to continue this service?

Thank you for taking the time to let us have your views.

We do not intend to acknowledge receipt of individual responses unless you tick the box below.