

Supporting Documentation

The Post Office Network in our current climate,

Current Issues

Despite its obvious strengths our national post office network is under considerable pressure. This is in part due to trends in retailing and technological innovations. Long-term lack of investment has also taken its toll. A further blow to the network's fortunes came in 2003, when the government introduced the direct payment of state pensions and benefits straight into bank accounts.

To compete effectively in today's fast-changing retail environment, the Post Office network needs to change and its renewal must be driven by what customers really want. It needs to offer greater convenience through longer opening hours, quicker service and high retail standards in well positioned and readily accessible locations.

The LGA

The LGA has been working with council representatives, Post Office Ltd and the National Federation of Sub Postmasters to discuss how to make it easier for the post office and councils to work together to provide council services through post offices. What also became clear was a concern that the previous closure programme would be reopened, or that the continued loss of local Post Offices due to viability should be tackled wherever and as soon as possible to ensure these services are not lost.

The LGA received a number of proposals asking that the government commit or legislate to ensure the network remained at its existing size which reflects the value that local communities attach to their local office. The proposals received under the SCA demonstrate there remains considerable appetite for extending the role of post offices, including providing payment services and access to a wide range of services.

The Sustainable Communities Act

Securing the future of local post offices was a key theme in many proposals received by the LGA. Post offices quite clearly play a vital social and economic role in many communities, by helping to make small businesses, such as village shops, viable and providing local access to basic services, such as access to cash by either counter services or one of the Post Office networks new ATM's, such as the one proposed at this location.

Post Offices are often at the hub of community life and are particularly important to disadvantaged groups and elderly people. **Local councils should** play a key role in any restructuring of the network because of their knowledge of local communities, local transport systems and topography.

Expansion

The government has encouraged the Post Office to expand further into financial services. They believe this to be the second major area with the potential to substantially increase Post Office revenues, along with making it possible to access all UK current accounts through the post office network. They are behind the current installation programme between BOI and The Post Office.

The post office network is used by all sections of society, including:-

- Vulnerable people in society
- small businesses
- Elderly and Infirm
- The Disabled

All are heavily reliant on local post offices and it is these groups who would be worst hit by a reduced mail service or post office closures.

Especially the heaviest users of post offices who are older people, disabled people, those on low incomes, rural residents as well as smaller firms. Those in the lower (C2 and especially DE) socioeconomic grades – visit the post office three or four times a week to use its financial facilities.

Government services

The government has proposed that post offices should become the ‘front office for government’, providing face-to-face access at post offices for a full range of central and local government services. The government says the front office for government is one of two areas with the potential to boost significantly Post Office revenues. This proposal builds on the many central and local government services already available at post offices. Services could include identity verification; notifying government of a change in circumstances; assisted applications; and payment services enabling the public to make and receive payments to and from public bodies.

NTP Scheme,

The government has allocated £1.34 billion funding for the post office network between 2011 and 2015. In part, the funding will pay for a major reorganisation of the post office network, the Network Transformation programme, designed to ensure a future that is financially sustainable. It will additionally fund POL to continue to support otherwise loss-making post offices due to their social value. However, the government is also clear that for the Post Office to regain a secure footing, it urgently needs to bring in additional income through new or expanded revenue streams such as financial services like the current ATM installation programme that is being undertaken throughout the UK. The Post Office is currently undergoing a network transformation programme, as part of a 3 year investment plan supported and endorsed by government. There are over 6,000 branches that are being converted to new style. The changes will mean an increase in opening hours and a new look that will make a more user friendly environment, helping to provide a better more efficient service to their customers.