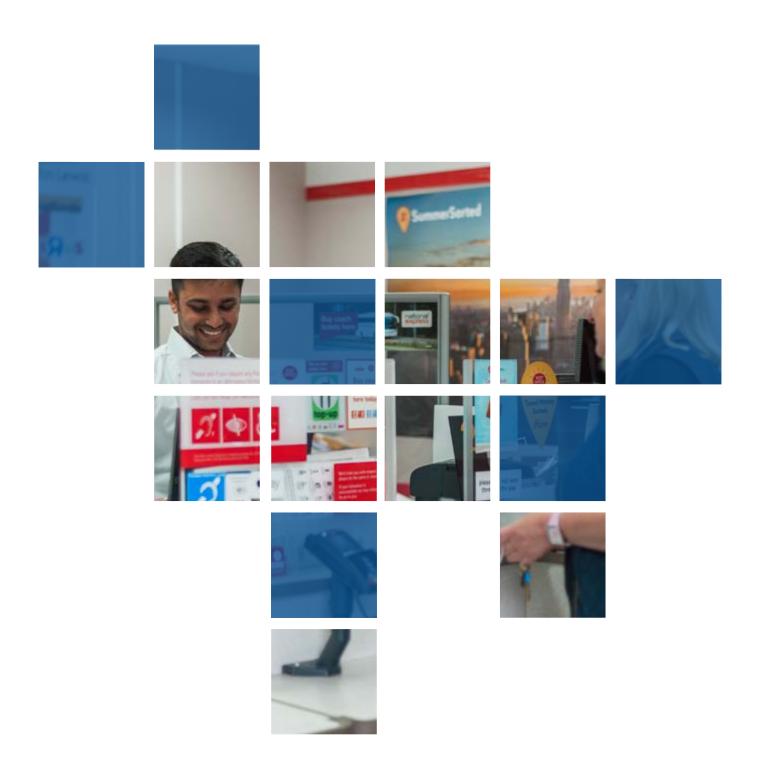
Department for Business, Energy & Industrial Strategy



Government Response to the 2016 Post Office Network Consultation

December 2017

# Contents

The Government's Commitment to the Post Office Network	3
Executive Summary	4
Access to the Post Office Network	6
The Role of the Post Office Network	8
Communities and the Post Office Network	11
Other Views on the 2016 Post Office Network Consultation	13
Conclusion	15
Annex I	16
Annex II	17
Annex III	18

# The Government's Commitment to the Post Office Network

Post offices have been a feature of communities across the United Kingdom for more than 300 years, as a place to access services and as a focal point for people in urban and rural areas alike. Today there are more than 11,500 post offices, and each week one in four of us visit at least one of these branches. That is equivalent to 17 million people using the network each week.

The network creates significant economic and social benefits for the communities it serves and it is important that this value is protected. That is why the government is committed to maintaining a national network of branches that is accessible to all. The government will also protect post offices in rural communities, particularly where local people do not have alternative ways to access services. For this reason, the government committed in its manifesto to safeguard the post office network, to protect existing rural services and to work with Post Office to extend the availability of services to families and small businesses in rural areas.

This consultation recognises the importance people place on being able to access their local branch and the significant value that post offices bring to communities. With these attributes as a foundation, this consultation looks to how the benefits already delivered by the post office network can be protected and enhanced. In recent years, the government and Post Office have made improvements to the workings of the post office network and in its service offering. However, more can still be done, particularly to make the network more secure and stable, more accessible and more aligned to the needs of customers. Since 2010, much of the post office network has been modernised and the size of the network has been stable. This is in contrast to the period between 2000 and 2010, when around 6,500 branches were closed, impacting on the ability of people in these communities to access post office services. The commitments this government has made will ensure that the positive momentum achieved since 2010 will be maintained and that people's ability to access post office services is protected.



## **Executive Summary**

The Department for Business, Energy & Industrial Strategy (BEIS) published the 2016 Post Office Network Consultation to inform its discussions with Post Office on future funding, to make sure that the post office network has access to the support it needs.

The responses received by BEIS played a central role in informing the government's recent announcement, committing £370 million in new funding for the post office network for the three years after April 2018. This will make sure that Post Office has access to funding to operate its nationwide network of branches, and to continue investing in the network's future.

In addition, the views of consumers and businesses expressed through the consultation process, particularly regarding what they expect from the post office network and how it should be operated, have allowed the government to set objectives for Post Office and also to make sure that these will be met in the most effective way.

New investment builds on the strong platform established by the government's previous investment, which will have totalled more than £2 billion between April 2012 and March 2018. This was made in recognition of the value that branches bring to communities and the need to secure this for the future, and it has resulted in the network as a whole being at its most stable in decades after a long period of decline. It has also allowed Post Office to take steps towards commercial sustainability, and in 2017 the business reported its first profit in 16 years. Together these investments have reduced the post office network's need for taxpayer subsidy, which has reduced by two thirds since it reached a peak of £210 million in 2012.

Investment has however been about more than just stabilising the network and improving commercial sustainability. It has enabled more than 7,000 branches to be modernised, in the largest transformation programme the network has ever seen, and improvements have also been delivered in terms of accessibility, convenience and how branches operate. Since 2012 modernisation has added more than 200,000 opening hours per week to the network, which is equivalent to over 5,000 branches operating old opening hours. In addition, more than 4,400 post offices are now also open on Sundays, making Post Office the United Kingdom's largest Sunday retailer. The government has also protected over 3,000 community branches, which are typically, "the last shop in the village".

Of the branches that have been modernised since 2012, more than 2,000 have also been relocated to new premises, usually co-locating the branch with a convenience store or similar retailer. This has improved convenience for customers who are now able to shop for more products and services at the same time, in a branch that is open for longer.

Finally, modernisation has brought improvements to branches themselves, with better layouts that use space more effectively in retailers' premises, improvements in technology, clearer and more prominent signage and support to help postmasters develop a stronger retail offering.

The 2016 Post Office Network Consultation ran between 8 November and 21 December 2016 and drew 31,083 responses from customers and stakeholders. It asked a series of questions about the post office network, set out in detail at Annex I, seeking responses in particular on the access criteria (i.e. the criteria that are used to define what a nationwide network of branches should look like, set out in Annex II), what services are available across the network and the potential role that communities could have in the operation of the post office network.

In the consultation the government proposed keeping the current access criteria unchanged. This position received strong support from respondents, and as a consequence the views shared through the consultation process have played an important role in informing the government's recent £370 million commitment to the post office network.

In addition suggestions were also made in response to other questions raised by the consultation, including in relation to alternative approaches that could be taken to the access criteria, other services that could be offered at post office branches and the potential role that communities might be able to play in the operation of the post office network. These views will be used to inform the government's future approach to the post office network, however it was reassuring that many suggestions that were made are already being worked on actively by the government and Post Office. The government knows that people and communities, particularly those in rural areas, value having convenient access to their local post office and that is why it is committed to the post office network's long-term future. The responses received to this consultation clearly show that the government's position has a wide base of support and that there is a shared ambition for a stable and sustainable network with a secure future.



## Access to the Post Office Network

## **CONSULTATION QUESTION 1**

Do you agree that the existing criteria should continue to be used for defining what a nationwide network of post office branches should look like?

#### The majority of the respondents agreed with the government that the current access criteria should remain unchanged.

The overwhelming majority of respondents to the consultation, over 29,000, agreed that the access criteria were correct or were sufficient as a minimum for defining what a nationwide network of post office branches should look like.

These views are aligned to the government's position on the access criteria and as a result of this, no changes have been made to these criteria as part of the recent funding discussions with Post Office.

### Among those opposed to the current access criteria, most argued for stricter conditions to reduce the distance some people have to travel to their nearest post office.

Some respondents argued that a greater proportion of people, particularly in rural areas, should have more local access to their nearest post office branch. For instance, some respondents made a case that three miles was too far for those without cars or with limited access to public transport to travel to their local branch. In addition, since today 99% of the rural population lives within three miles



of a post office, some respondents expressed concern that this could allow Post Office to reduce access but still meet its 95% requirement which would negatively impact many communities.

In light of all responses to the consultation, the government considers that three miles provides an appropriate and convenient level of access for rural communities. Furthermore respondents' concerns regarding Post Office's future performance in relation to rural access have been recognised, and that is why the government remains committed to a network of more than 11,500 branches. The government will also continue to monitor trends in this and the other access criteria closely in the future, and the government's recent £370 million funding commitment will make sure that these remote branches continue to receive the support they need.

### A small number of responses asked whether the Post Office met the access criteria for all the constituent parts of the United Kingdom.

Questions were asked by a small number of people as to whether Post Office met the access criteria in each of England, Scotland, Wales and Northern Ireland and if not, whether the criteria could be applied to each country individually.

Although the access criteria apply to the United Kingdom as a whole and not to individual countries, the post office network does meet all the criteria for England, Scotland and Wales. In Northern Ireland, where a greater proportion of the country is defined as rural, the post office network meets all the access criteria apart from the one that requires 99% of the population to be within three miles of their nearest post office. Northern Ireland does however have more post offices per person than the United Kingdom average – 3,750 people per post office compared to 5,430 for the United Kingdom as a whole – and it also meets post code district coverage requirements that ensure a good spread of branches across the country.

Since Northern Ireland meets five of the six access criteria and also because it has a large network relative to the size of the population, the government considers that there is a strong level of coverage of post office services in the country.

## **CONSULTATION QUESTION 2**

What different criteria or what different approach could the government consider to define what a nationwide network of post office branches should look like, including steps to ensure provision of post offices in small, remote or hard-to-serve communities?

#### Alternative access criteria were suggested, most frequently to link the distances used in the criteria to road miles and to consider the availability of public transport infrastructure.

Since the distances in the access criteria are applied on an "as the crow flies" basis and as this does not reflect the actual journey that customers take to their local post office, some respondents suggested that this should be changed to road miles. In addition, a number of people also made a case for Post Office taking into account public transport infrastructure, as this could impact the accessibility of certain branches in areas where public transport is less well developed.

Analysis conducted by Post Office and research recently published by Citizen's Advice<sup>1</sup> both demonstrate that switching the distances used in the access criteria from "as the crow flies" to road miles would mainly affect the urban access criteria that requires 95% of the population to be within one mile of their nearest post office. Since people in these areas already live close to their nearest post office branch, and will usually benefit from better access to public transport services than more remote areas, this change would not bring any measurable benefit to customer accessibility. The definition of distance that is used in the access criteria will therefore remain unchanged. The Post Office already takes into account the availability of public transport infrastructure – alongside distance and terrain to alternative branches, opening hours, proximity of parking and ease of access to branches – in its Code of Practice on Public Consultation and Communication with respect to change in the post office network<sup>2</sup>. Due to the importance of public transport infrastructure in determining the accessibility of post office branches, this will remain an important part of the code of practice in the future.

#### There were some suggestions that there should be a move away from geographic access criteria to measures that take into account the viability of branches.

These responses argued that since the current access criteria did not consider financial considerations, such as the number of customers in a branch's catchment area, they could lead to some communities being underserved by the post office network and others, where there are few customers, having a branch that was unviable due to the low level of local demand.

There are strong incentives on Post Office and postmasters to make sure each branch is viable, and both Post Office and postmasters look at local demand when making a decision as to whether to locate a post office in a particular location or to invest in a specific branch. The geographic criteria therefore represent an effective safety net to make sure there is a sufficient coverage of branches, in areas where these incentives are weaker but where there is a need for services to be available. The government funding has an important role in these communities, making sure that local branches, which would not be viable without taxpayer support, remain open.

<sup>&</sup>lt;sup>1</sup> https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/post-policy-research-and-consultation-responses/post-policy-research/access-all-areas/

<sup>&</sup>lt;sup>2</sup> http://www.corporate.postoffice.co.uk/sites/default/files/Code%20of%20Practice\_Sept2013.pdf

# The Role of the Post Office Network

## **CONSULTATION QUESTION 3**

What, if any, new services do you think could be offered at post office branches in the future – in particular considering those that could support remote communities, vulnerable members of society and others that rely on over-the-counter transactions?

This question prompted a range of responses from people regarding the services that Post Office could make available in its branches, which can be grouped into five main categories:

- I. Government services;
- II. Support to access digital services;
- III. Access to accounts held with credit unions;
- IV. A wider range of financial services; and
- V. The establishment of a standalone post office bank.

### **Government Services**

People made a case for Post Office to offer a wider range of government services, including re-instating previously provided services such as government savings products and putting in place new ones. The suggestions for new services included library services, linking up with local transport providers, tourism services and health services.

Post Office is already the largest provider of counter-based Government Services in the United Kingdom, working for a wide range of government departments including the Department for Work and Pensions, the Home Office and the Department for Transport, in addition to more than 200 Local Authorities. This includes many long-established products such as the Post Office card account, passport Check and Send and Driving Licence renewals, but also new services such as Verify where in recent years Post Office has established itself as the market leader.

To make sure that the government gets value for money for the taxpayer, all contracts for Government Services are competitively tendered and many services previously available at post office branches have subsequently moved online or to direct payment. These moves are typically welcomed by customers, who value the convenience of accessing services online or through more direct channels. Post Office continues to bid for work from the government and with a stronger network and better technology, made possible by the government's investment, Post Office is well positioned to compete for new work in the future.

### Support to Access Digital Services

People felt that the post office network was well positioned to provide access to digital services for people that could not use the internet at home, and also support to people that did not know how to use digital services (e.g. where a trained operator in a branch assists someone with an online transaction).

Since the services that Post Office makes available in its branches must deliver an appropriate commercial return, to date Post Office has not offered support to access digital services across its network. Not only is the space required not typically available in many branches, but the costs and time associated with setting up and delivering these services would not be recovered by the income generated. However Post Office does continue to engage with the Government Digital Service, which is leading on the digital transformation of government, to explore alternative models and services that could be made available in branches in the future.

There may however still be circumstances where digital support might work for a postmaster and a local community, and in such instances postmasters have considerable scope to widen the range of products and services they offer alongside their post office branch. Post Office and the National Federation of SubPostmasters provide support and advice to postmasters in relation to this, and with the government's new investment this level of support and advice will continue in the future.

### Access to Accounts Held with Credit Unions

People felt that Post Office could provide a range of services for Credit Unions, including providing access to Credit Union accounts in the same way that it provides access to bank accounts (e.g. withdrawing and depositing cash and balance checking).

While Post Office cannot offer all Credit Union products at its branches, primarily due to financial services regulations, it may be possible in the future for it to offer access to Credit Union accounts like it does for bank accounts today. This service, which allows more than 99% of consumers and over 75% of small businesses (over 95% from the end of 2017) to undertake their everyday banking at any post office branch, is widely used, particularly in communities that have seen banks closing their branches. An extension of this to customers of Credit Unions would be welcomed.

As part of a project funded by the Department for Work and Pensions, the Association of British Credit Unions is developing a new technology platform which will make it possible for individual Credit Unions to integrate their systems with third parties such as Post Office more easily. Once in place and with individual Credit Unions signed up to use the platform, this will remove one of the key barriers to Credit Union accounts being accessible in post office branches. Post Office has held discussions with the Association of British Credit Unions on this opportunity, and it is hoped that further progress can be made in the future.

### A Wider Range of Financial Services

Low levels of awareness among some respondents of Post Office's financial service offering led them to suggest that Post Office should make a wider range of financial services available at its branches, particularly personal financial services such as savings, lending and insurance products and to provide access to basic banking services for customers of the retail banks. Post Office already provides these products and, most notably, in personal financial services, it is one of the leading challengers to the retail banks with around three million customers. In addition, it regularly performs more than half a million banking transactions every day such as cash withdrawals and deposits, and in 2017 the network is likely to process a total of 125 million transactions. However the low levels of awareness among some customer groups does tally with research published as part of the review of the access to banking protocol from Professor Russel Griggs<sup>3</sup> and a 2017 report by the Lords Select Committee on Financial Exclusion<sup>4</sup>.

Post Office already publicises its financial services offering, including its personal financial services, the banking services it provides to the retail banks and a number of its other products, and this will continue. In addition, and following publication of the review of the access to banking protocol and the Select Committee on Financial Exclusion's report, Post Office is also working with the government and the wider banking industry to improve public awareness of the banking services it provides, including piloting new location-specific advertising in Belfast. This pilot has delivered a noticeable increase in customer awareness and the number of transactions, and Post Office plans to extend it nationwide later this year.



<sup>&</sup>lt;sup>3</sup> https://www.bba.org.uk/news/reports/access-to-banking-protocol/#.WdtpsWhSx3g

<sup>&</sup>lt;sup>4</sup> https://publications.parliament.uk/pa/ld201617/ldselect/ldfinexcl/132/13202.htm

# Establishment of a Standalone Post Office Bank

Some respondents also asked if the government would consider providing funding to Post Office that would enable it to create a Post Office bank, similar to those that are already operated by the local postal businesses in France, Italy and New Zealand. Many of these respondents outlined that the income this could generate for Post Office in the United Kingdom could be significant, deliver a financial return to the government and reduce the need for the change that has taken place across the business in recent years. In September 2017 the Centre for Banking Research at the Cass Business School published an independent report<sup>5</sup>, commissioned by the Communications Workers Union, that explored similar issues.

As set out previously, Post Office already operates a successful and profitable financial services business, and in the last financial year this generated income of more than £300 million across a wide range of products. This has grown by more than 15% since 2012 and is expected to continue to do so in the future, particularly with the impact of the recently extended offering of basic banking services and the planned launch of new personal financial services products.



While a Post Office bank could bring further benefits to Post Office, these are uncertain and bring significant risk given the highly competitive landscape in the United Kingdom banking market and the complexity associated with establishing a new bank. In addition, not only would more funding be required to set up a Post Office bank but regulations could also severely impact how branches operate. The Cass Business School Report estimated that this additional funding could be in the region of £2 billion, which is the same as the total the government has already invested in the post office network since 2012, and increased regulatory requirements could place a significant burden on branches that are not currently equipped to comply. Furthermore, it is not clear what benefits a Post Office bank would bring to customers who can already access Post Office branded financial services and accounts held with the retail banks at their local branch (e.g. depositing and withdrawing cash and checking balances). This latter service, which is both valued and used by a rapidly growing number of people, might be at risk altogether if Post Office became a direct competitor to the retail banks, reducing rather than improving access to financial services in communities nationwide.

In light of the above, and having considered both the consultation responses and the recommendations of the Cass Business School report, the government does not believe that establishing a Post Office bank is the right strategy for the long-term sustainability of the post office network at the present time. Not only would this approach be high risk and costly, particularly at a time when the pressures on public finances are significant, but the benefits are also very uncertain. It is important also to note that the investment the government has made in the post office network has delivered significant financial benefits, allowing Post Office to reverse losses of £120 million (that were recorded in 2012) and in 2017 to report a profit for the first time in 16 years.

<sup>5</sup> http://www.cass.city.ac.uk/\_\_data/assets/pdf\_ file/0011/372728/FINAL-REPORT-070917-Making-the-casefor-a-Post-Bank.pdf

## Communities and the Post Office Network

## **CONSULTATION QUESTION 4**

What ways do you think communities might be able to play a more significant role in the operation of the post office network, in particular with the objective to support rural economies and strengthen local communities?

While some respondents welcomed the opportunity for communities to play a greater role in what they see as a key service for their community, others were concerned that Post Office may seek to replace trained staff with unpaid volunteers.

There was concern from a number of respondents who thought that while there could be scope for communities to play a wider role in the operation of local branches, this involvement should not see Post Office's trained staff, and the staff of postmasters, replaced with unpaid volunteers.

The government is providing £370 million of new funding to safeguard the post office network, particularly in rural areas, and these plans do not see Post Office's staff, or the staff of postmasters, replaced with unpaid volunteers.



In a small number of circumstances however, where communities already run a community shop or wish to establish one, they might wish to operate a post office alongside their retail activities. For many years Post Office has worked with a range of stakeholders in this area, including the Plunkett Foundation, to develop a simpler application process for community shops, simpler contractual arrangements and better guidance for Post Office's managers in relation to the issues that community-run businesses often face. This work has made it easier for communities to take on the operation of a post office branch, frequently bringing a post office to a community that has not had a branch before.

There are still challenges facing community shops and Post Office is committed to continuing to work with stakeholders and communities to remove these barriers. This will help to make setting up and running community-owned shops, with a post office branch, as straightforward as possible.

### Some people argued that their community should play a greater role in deciding what services their local post office branch offers, to make sure it serves the needs of the local population.

It was suggested that postmasters could engage more actively with the local community regarding new services, such as selling locally produced food or setting up a café.

Since many postmasters operate their post office branch alongside a retail business they already tailor the products and services they offer to local demand, and Post Office provides support to postmasters to help them make the most of both their post office and their wider retail business. In addition, the National Federation of SubPostmasters has recently put in place a retail support team to help develop postmasters' retail businesses and they also showcase examples of good ideas and best practice in their monthly magazine, The Subpostmaster.

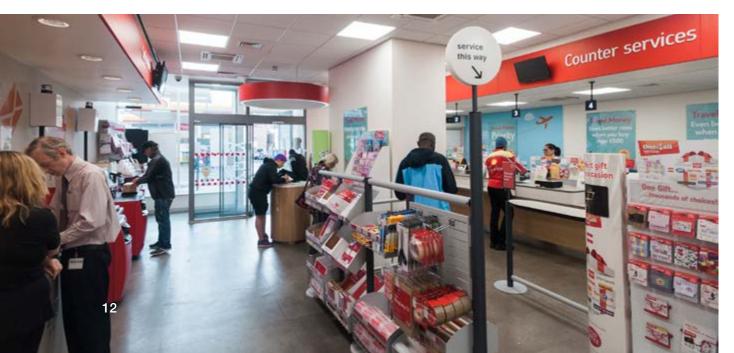
The scope to vary what Post Office services are available in branches is more limited. This is principally due to the contractual arrangements that Post Office has with its clients (e.g. Royal Mail, the Home Office or the Department for Transport), but is also due to regulatory obligations (e.g. in relation to certain financial services products) and the need to ensure a degree of consistency across the wider post office network so customers know what to expect from branches. Notwithstanding these potential constraints, Post Office does make sure that it listens to the needs of customers and local communities and that where there is sufficient demand, and where contractual and regulatory obligations allow, new services can be made available (e.g. installation of external facing cash machines).

### Some respondents felt that communities should be able to have a stronger say in what kind of branch they have, particularly when a change to the type of branch is proposed.

Over the past few years Post Office has franchised more than 70 of its "Crown" post offices, which are branches directly owned and operated by Post Office. A number of respondents expressed a wish to have a stronger say in the decision-making process behind franchises, to express a preference to retain their local branch as a directly owned and operated post office. Some respondents also stated a desire to be involved in the decisionmaking process around other changes to the post office network, such as when a branch relocates to new premises. Post Office takes the decision to franchise a directly owned and operated branch or to relocate a branch operated by a postmaster based on a number of factors, including the scale of local demand, the number of other post offices nearby, the strength and capability of the new operator and the level of income and profit generated by the existing post office. Before moving a branch, Post Office will also always run a local consultation<sup>6</sup> in order to engage with the local community, customers and stakeholders (e.g. councillors and the local Citizens Advice), and to seek valuable input and explore ways in which it might be possible to improve the proposal. In more than 88% of cases during the last financial year, Post Office has provided reassurances or agreed changes following public consultation, and in 2% of cases proposals have been withdrawn due to significant issues raised during these processes.

Customer satisfaction surveys consistently demonstrate that franchised and relocated post offices are at least as well regarded as the branches they replace, making it clear that the current approach to change in the post office network delivers positive results. The government encourages people to continue engaging with these consultations to make sure that local views and the value offered by local people can be captured when change in the post office network is taking place.

<sup>6</sup> http://www.corporate.postoffice.co.uk/sites/default/files/ Code%20of%20Practice\_Sept2013.pdf



# Other Views on the 2016 Post Office Network Consultation

## **CONSULTATION QUESTION 5**

Do you have any other views on the points raised in this consultation that you feel the government should consider regarding its approach to the post office network?

Respondents did not generally offer new suggestions in their responses to this question but instead took the opportunity to restate arguments made elsewhere, and these have already been covered in this consultation response. Two wider issues were however raised, regarding ownership of Post Office and potential scope to stop further change in the network.

### **Ownership of Post Office**

Some respondents made a case for not privatising Post Office, to make sure that the post office network was protected for the future and to prevent decisions being made on a profit maximising basis. Linked to this, some responses also raised the idea of a mutual Post Office with a greater role for postmasters in decision making processes.

Post Office is 100% owned by the government and there is legislation in place which requires the Post Office to be in public (or mutual) ownership. The government has no plans to privatise Post Office and any move to do so by a future government would require the approval of Parliament.

One of the key prerequisites for a mutualisation to be a success is for the business being mutualised to be commercially sustainable. While Post Office has made significant progress towards sustainability in recent years, with the support of government investment, it has not yet reached a position where it is self-financing. This makes a mutualisation difficult to deliver and, given the high risk, hard to sustain at this time. Post Office does however engage with key stakeholders and postmasters regarding business decisions and works closely with the National Federation of SubPostmasters and its unions on matters that affect the business. Post Office also coordinates the Post Office Advisory Council<sup>7</sup> which provides a way for people, including postmasters, to engage with the business on matters of mutual interest and to provide a forum through which ideas can be shared and feedback sought.



<sup>&</sup>lt;sup>7</sup> http://corporate.postoffice.co.uk/post-office-advisory-council

# Stopping Further Change in the Post Office Network

Citizens Advice suggested that Post Office should put a hold on change happening across the post office network in any given year once 5% or more of the network has closed, relocated or changed operating model.

The government has no plans to close post office branches and since the recent funding commitment made to Post Office is designed to safeguard the network's future, there are no circumstances envisaged in which 5% or more of the network would close in any given year. Furthermore, since Post Office's transformation programme is now nearing completion, future change in the network is also likely to be relatively limited and arise predominantly through business-as-usual activities, including from postmasters selling or closing their branch.

As postmasters are independent businesspeople Post Office cannot control the actions they take, including regarding selling or closing their branch, although the business does take active steps to maintain service provision where these changes do occur (e.g. by finding a new location for a post office, finding a new operator or putting in place new arrangements to serve the local community). Post Office will retain this role going forward, taking active steps to make sure that communities are not left without access to a post office when a postmaster decides to sell or close his or her branch.



## Conclusion

The government recently committed £370 million to the post office network to make sure that Post Office has access to the funding it needs to operate its nationwide network of branches, and to continue investing in the network's future. The responses received by the government to this consultation played a central role in informing the scale and shape of this funding. They will also ensure that the right objectives are set for Post Office and that these will be met in the most effective way.

It is clear from the responses that were received that respondents think that the current access criteria should be left unchanged, in line with the government's proposal. At the same time, a number of useful suggestions were made in relation to the other questions raised in the consultation, and not only has the government taken these on board, but they will be used to inform the government's work with the Post Office in the future. In particular, input from respondents on other services that could be made available at post office branches and the potential for communities to play a greater role in the operation of the post office network will all be helpful in shaping the future direction of Post Office's strategy. It was also reassuring that many of the suggestions made by respondents are already being worked on actively by the government and Post Office (e.g. recognising public transport infrastructure when selecting the location of post offices, exploring access to Credit Union accounts in branches, and increasing awareness of the banking services available across the post office network).

With funding from the government, and wide support from the public and Post Office's stakeholders, the Post Office network has a bright future. The network today is the most stable it has been in more than a generation and in 2017 the business delivered its first profit in 16 years. With future investment more progress can be made, to bring further benefits to customers and operators of post office branches, to make Post Office more commercially sustainability and to reduce the network's need for taxpayer support.

The government recognises the value that post office branches bring to communities across the United Kingdom and it is committed to the post office network's future. This consultation has clearly demonstrated that people and Post Office's stakeholders share the same ambition.

# Annex I: Consultation Questions

QUESTION 1	Do you agree that the existing access criteria should continue to be used for defining the shape of the post office network?
QUESTION 2	What other methods do you think could be used by the government to define the shape of the post office network, in addition to or as an alternative to the access criteria currently in place, including in relation to provision of post offices in very remote communities?
QUESTION 3	What new services do you think could be offered at post office branches in the future – in particular considering those that could support remote communities, vulnerable members of society and others that rely on over-the-counter transactions?
QUESTION 4	Do you have any comments on the role communities could play in the support, operation or ownership of local post offices, in particular with the objective to support rural economies and strengthen local communities?
QUESTION 5	Do you have any comments on how communities' experiences or models of best practice regarding the delivery of local services could be applied to the post office network?

# Annex II: The Access Criteria

NATIONALLY	<b>99% of the UK population</b> to be within <b>three miles</b> and <b>90% of the population</b> to be within <b>one mile</b> of their nearest post office.
DEPRIVED URBAN AREAS	<b>99% of the total population</b> across the UK to be within <b>one mile</b> of their nearest post office.
URBAN AREAS	<b>95% of the total population</b> across the UK to be within <b>one mile</b> of their nearest post office.
RURAL AREAS	<b>95% of the total population</b> across the UK to be within <b>three miles</b> of their nearest post office.
REMOTE COMMUNITIES	The Post Office is also required to make sure that <b>95% of the population</b> of every postcode district <sup>8</sup> is within <b>six miles</b> of their nearest outlet, to make sure that even the most <b>remote communities</b> continue to have <b>access to post office services</b> .

<sup>8</sup> A postcode district is made up of the postcode area, often the first two letters of a postcode, and one or two digits and sometimes also a final letter (e.g. G12, NP7 and SW1H). There are around 2,800 postcode districts in the United Kingdom.

# Annex III: Organisations that Responded to the Consultation

### List of Organisations which responded

Action for Communities in Rural England Association of British Credit Unions Limited Association of Convenience Stores Basingstoke and Dean Borough Council Bishop of St Albans British Bankers Association Campaign for the Protection of Rural Wales Country Land and Business Association Consumer Council for NI Consumer Futures Unit Scotland. Countryside Alliance **Communication Workers Union Devon County Council** Ellesmere Town Council Federation of Small Businesses Germinate - The Arthur Rank Centre Later Life Ambitions Maldon District Council National Association of Local Councils National Federation of SubPostmasters North Yorkshire County Council Older People's Commissioner for Wales Plunkett Foundation Pub is the Hub Roval Mail **Rural Services Network Rural Shops Alliance** Scottish Borders Council South Oxfordshire and Vale of White Horse District Councils Stratford-on-Avon District Council. Unite the Union WH Smith



© Crown copyright 2017

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit <u>nationalarchives.gov.uk/doc/open-government-licence/version/3</u> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: <u>psi@nationalarchives.gsi.gov.uk</u>.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available from www.gov.uk/beis

Contact us if you have any enquiries about this publication, including requests for alternative formats, at:

Department for Business, Energy and Industrial Strategy 1 Victoria Street London SW1H 0ET Tel: 020 7215 5000 Email: <u>enquiries@beis.gsi.gov.uk</u>