

**REPORT TO:** Executive Board  
**DATE:** 29th March 2007  
**REPORTING OFFICER:** Strategic Director – Corporate and Policy  
**SUBJECT:** Consultation on the Future Post Office Network  
**WARDS:** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to draw the Board's attention to a consultation document issued by the Department of Trade and Industry on the future of the Post Office Network and to endorse the action taken by the Chief Executive in responding to that consultation document.

## **2.0 RECOMMENDED: That**

- (1) the action of the Chief Executive be endorsed; and**
- (2) further reports be brought to the Executive as and when more detailed proposals are produced by the Department for Trade and Industry.**

## **3.0 SUPPORTING INFORMATION**

3.1 The Department for Trade and Industry (DTI) has issued a consultation paper on the future of the Post Office Network. Attached as Appendix 1 to this report is a summary of the proposals contained in that document. A full copy of the consultation document can be accessed from the DTI's website ([www.dti.gov.uk](http://www.dti.gov.uk)).

3.2 The Chief Executive wrote in response to the DTI's consultation highlighting two particular concerns from Halton's perspective. A full copy of the Chief Executive's letter is attached as Appendix 2. The two issues were as follows:

- (1) The proposal to change the walking distance criteria for post offices in deprived urban areas from half a mile to a mile; and
- (2) the proposals to provide support for outreach services in "small remote communities".

3.3 The Chief Executive's letter outlines the importance of the Post Office to community life in areas like Halton and the potential impact of any reductions in service that may take place.

3.4 The Board are asked to endorse the action of the Chief Executive.

3.5 Further reports will be brought to the Board as detailed proposals emerge.

#### **4.0 FINANCIAL AND POLICY IMPLICATIONS**

4.1 There are no direct financial or policy implications for the Council.

#### **5.0 EQUALITY AND DIVERSITY ISSUES**

5.1 Reducing the Post Office Network in Halton may make access to services more difficult for the more vulnerable members of the community.

#### **6.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
DTI – The Post Office Network Consultation document	6th Floor, Municipal Building	I. Leivesley

# 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*<sup>1</sup>, 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 districts<sup>2</sup> 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 Post Office Network

- 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.
- 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.

## APPENDIX 2

Post Office Network Consultation  
Department of Trade and Industry  
Response Centre  
1 Victoria Street  
LONDON  
SW1H 0ET

**Our Ref** 050307-01  
**If you telephone please ask for** Rob Mackenzie  
**Your ref**  
**Date** 5 March 2007  
**E-mail address** rob.mackenzie@halton.gov.uk

email to: dti.enquiries@dti.gsi.gov.uk

Dear Sirs

### POST OFFICE NETWORK CONSULTATION

Halton Borough Council welcomes many of the proposals in the current consultation, and supports the need to take a systematic view of the network, taking into account the important social and economic role of Post Offices in the communities which they serve.

Halton is a predominantly urban area with high levels of deprivation but with a number of peripheral rural settlements. Some residential communities within the urban area of Widnes are isolated from other facilities by swathes of industrial development, and in many ways, are just as remote as rural villages (for example Halebank and Westbank). In Runcorn, there are large social housing estates, a legacy of Runcorn New Town, which are separated from other parts of town by substantial belts of landscaped open space and by expressways. These social housing estates also suffer from a form of urban isolation.

The Council wishes to express views about two aspects of the proposals:

1. It is concerned at the weakening of commitment to deprived urban areas. Under the proposed access criteria, 99% of the population in deprived urban areas should be within one mile of a post office compared to 95% in other urban areas. In effect, only 4% of the population in deprived areas would be any better served than if they lived in a non-deprived area, and the remaining 95% will have exactly the same level of service. This is a massive change from the current half mile standard for deprived areas.
2. Compared to other urban areas, the population in deprived neighbourhoods:
  - are more likely to be in receipt of benefits
  - less likely to have a High Street bank account
  - less likely to own a car
  - more likely to suffer from ill health (a high proportion on invalidity benefit)
  - less likely to be able to afford public transport
  - more likely to have caring responsibilities

Post Office Network Consultation  
5 March 2007

For these reasons, it is vital that they have easy access to a Post Office. Even half a mile is a struggle for many elderly or infirm residents, or for single parents with young children. A mile is unreasonable.

**The Council therefore urges that the basic half mile target for accessibility in deprived areas be retained.**

3. The consultation proposes that the DTI will provide support for outreach services for “small remote communities”. It is important that is recognised that urban communities can be “remote” in the sense of accessibility to services, and that they may benefit from outreach services just as much as rural areas. There are parts of Halton which are amongst the most deprived 10% of super output areas, but which are over half a mile from the nearest Post Office. These neighbourhoods could benefit from outreach services.

**The Council therefore urges that consideration be given to supporting outreach services in less accessible urban areas as well as in remote rural areas.**

The Council trusts that these observations will be taken into account and that the final proposals for network coverage will be amended accordingly. If you require any more information or supporting evidence I would be delighted to provide it.

Yours faithfully

**David Parr**  
Chief Executive