



Haringey Council

Overview and Scrutiny Committee

On 5th July 2010

Report Title: **Scrutiny Review of Post Office Closures: follow up report**

Report of: **Councillor Bull, Chair of Overview & Scrutiny**

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Wards(s) affected: **All**

Report for: **[Key / Non-Key Decision]**

1. Purpose of the report (That is, the decision required)

- 1.1. In February 2008, Overview and Scrutiny Committee commissioned a review of post office closures in Haringey which formed part of a local submission to the consultation on London wide post office closure plan.
- 1.2. The attached is a follow-up report which provides details of the outcome of the consultation and possible future developments for the post office network.
- 1.3. That the Overview and Scrutiny Committee note the contents of the attached report.

2. Introduction by Cabinet Member (if necessary)

- 2.1. N/A

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1 The provision of post offices may relate to desired outcomes from the Sustainable Community Strategy (2007-2016):
 - People at the heart of change: promoting community cohesion.
- 3.2 There are no relevant targets within the Local Area Agreement to which the provision of post offices directly relate.

4. Reason for recommendation(s)

4.1. Overview and Scrutiny follows up the conclusions and recommendations of reviews undertaken by the Committee or commissioned panels. This usually takes place between 12-24 months after the review has been completed.

5. Other options considered

5.1 Post Office Ltd will also be attending the meeting to respond to questions from the Committee.

6. Summary

6.1 In 2008, Post Office Ltd announced the closure of 2,500 post offices as part of the reconfiguration of the post office network (the Network Change Programme). Post Office Ltd conducted a six week consultation on the planned closures in London from February 2008 through to April 2008.

6.2 The Overview and Scrutiny Committee undertook a review of the post office closures in Haringey. The information collected through this review was then submitted as evidence to the consultation on the planned closure programme for London.

6.3 As a result of the consultation, 6 post offices were closed:

- 100, Alexandra Park Road N10
- 434, West Green Road, N15
- Salisbury Road, N22
- 69, Weston Park, N8
- Ferme Park Road, N4
- Highgate High Street, N6.

6.4 One post office earmarked for closure in Haringey was reprieved and was maintained in the local network of post offices:

- Page Green, Broad Lane, N15.

6.5 The report details the national impact of the post office closure in respect of the following:

- The consultation process for the closure programme
- Financial viability of network
- Quality of services provided
- Social impact

6.6 The report sets out how local how local authorities have been involved in supporting local post offices and outlines legislative and policy developments for the post office network being considered for the future.

7. Chief Financial Officer Comments

7.1 There are no direct financial implications arising from the issues raised in this report. The Council currently does not have any budgetary provision regarding Post Office interventions or assistance.

8. Head of Legal Services Comments

8.1. The Head of Legal Services notes the contents of this report and advises that there are no specific legal comments at this stage.

9. Service Financial comments

9.1. There are no immediate financial implications arising from this report.

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1 N/A

11. Equalities & Community Cohesion Comments

11.1 The report makes clear that a significant weakness of the post office closure programme was the paucity of social and economic impact assessment data to accompany the Network Change Programme. Similarly, there has been little research on the social impact of the closures since these have actually taken place.

11.2 What limited assessments have been undertaken would suggest that those with mobility problems (disabled people or older people) or limited access to transport services may have been disproportionately affected by the post office closure programme, particularly where these have occurred in rural areas.

13. Consultation

13.1 A brief survey has been developed to provide a snapshot of local opinion on post office closures, This has been distributed to Area Assemblies in the areas in which post offices have been closed. A verbal summary will be presented at the meeting.

14. Use of appendices /Tables and photographs

14.1 A list of the remaining post offices in Haringey is given in the main body of the report (Appendix A).

15. Local Government (Access to Information) Act 1985

15.1 Information sources are fully referenced within the main body of the report.

1. Introduction

- 1.1 In 2008, Post Office Ltd announced the closure of 2,500 post offices as part of the reconfiguration of the post office network (the Network Change Programme). 169 of the planned closures were in London and seven were located directly in Haringey or adjacent to its borders. Post Office Ltd conducted a six week consultation on the planned closures in London from February 2008 through to April 2008.
- 1.2 The Overview and Scrutiny Committee undertook a review of the post office closures in Haringey. The review heard evidence from a wide range of local stakeholders including elected representatives, sub-postmasters, community groups and local residents. The information collected through the review was then submitted as evidence to the consultation on the planned closure programme for London.
- 1.3 This report provides an overview of the outcome of the consultation on the Network Change Programme, both nationally and more locally here in Haringey. Conclusions from national evaluations of the Network Change Programme are summarised together more recent legislative and policy developments concerning the future of the post office network.

2. Background

National context for the Network Change Programme

- 2.1 Prior to the development of the Network Change Programme in 2008, a national network of approximately 14,300 post offices was in operation. 3% of these post offices were directly managed by Post Office Ltd (Crown Post Offices) and the remainder were franchised to sub-postmasters and operated as a private business.
- 2.2 Since 2002 however, there has been a marked decline in demand for traditional post office services. This in part has been due to:
- the introduction of direct payments for welfare benefits
 - more people paying utility bills by direct debit
 - use of alternative mail services (i.e. email).
- 2.3 The loss of central government contracts and business has also contributed to a decline in the use of post offices. It is noted that between 2003/4 and 2007/8, the proportion of post office business derived from government contracts fell from 43% to 26%.¹ With a declining footfall, post offices have also found it difficult to market other services that they provide.
- 2.4 As a result of declining demand for services fewer people have been using post offices: in 2005, 1,600 post offices had fewer than 20 customers per day and there were 4 million fewer visits to post offices in 2006 than in 2004.² Declining use and loss of business has impacted on the financial viability of the post

¹ Oversight of the post office Network Change Programme, Public Accounts Committee 2009

² Post Office Network: A consultation Document Department of Trade & Industry DTI, 2006

office network: a £100million operating loss was recorded each year from 2003-2007.

2.5 The Network Change Programme was developed to rationalise the post office network and was part of a broader cost reduction strategy established by Post Office Ltd.³ Although 2,500 post office closures were deemed necessary to help bring the network back in to profitability, closures would be structured in such a way as to maintain minimum access criteria.⁴ The Network Change Programme was expected to cost £176m (mainly through compensation provided to sub-postmasters) but was projected to save £45m annually.

2.6 Consultation for the restructuring of the post office network took place in two stages. Firstly, an 11 week national consultation was undertaken by the government in December 2006. This primary consultation established:

- the economic rationale for the post office closure plan
- the total number of post office closures (i.e. 2,500)
- minimum access criteria for the remaining post office network
- specification for local consultations (i.e. 6 weeks).

2.7 Post Office Ltd were then required to conduct local consultations on post office closures to the criteria established through the national consultation. In total, 42 local area plans were developed, which provided details as to how post office closures would be structured in these areas. Consultation on the first of the area plans commenced in January 2008. The main purpose of the local consultations was to establish whether the facts on which the local closures were based were correct.

Scrutiny review of post office closures in Haringey

2.8 The Overview & Scrutiny Committee commissioned a review of the planned post office closures in Haringey. To support the collection of evidence, a one-day event was held at which a broad range of local stakeholders attended including elected representatives, sub-postmasters, local community groups and local residents. The aim of the review was to collect evidence on the planned closure of individual post offices which would then be collated and submitted to the consultation on the London Area Plan (of the Network Change Programme).

2.9 On the evidence received, the review panel drew a number of conclusions about the Network Change Programme. The panel concluded that:

- the national consultation on the closure programme was inadequate
- the local 6 week consultations were insufficient to allow local people to develop reasoned and meaningful responses
- the local consultation exercise was flawed as this did not:
 - provide financial data on the planned closures
 - fully assess the capacity of alternative post office
 - contain accurate data in branch accessibility reports

³ Other elements of this cost reduction strategy included reducing central administration, restoring crown post offices to profitability and developing new business.

⁴ 95% of total urban population to be within 1 mile of their nearest post office: 95% of rural population to be within 3 miles of their nearest post office.

- the social impact of closures, in particular the implications for community cohesion, were not fully assessed.

2.10 In light of the evidence received within the review process, the scrutiny panel of eight local members concluded that the Network Change Programme would not support key aspirations for a socially and environmentally sustainable Haringey and could not support the closure of any of the planned post office closures. In this context, the panel recommended that the programme of closures should be suspended.

3. Outcome from the consultation on the Network Change Programme

3.1 By March 2009, after 42 consultations on local area plans had been conducted, Post Office Ltd decided to proceed with the closure of 2,383 post offices. Although 92 post offices earmarked for closure were reprieved, a further 48 were substituted for closure. Thus, of the planned 2,435 closures within the Network Change Programme, 98% were confirmed within consultation decisions.

3.2 As of March 2009, there were 11,952 post office branches in the UK, compared to 13,567 at the end of March 2008.

3.3 Of the 169 proposed post office closures in London, 7 were reprieved in the consultation decision. Thus, the remaining post office network in London would comprise of 688 post offices. Under the newly established access criteria, 99.9% of the population would still be within 1 mile the remaining post office network in London.

3.4 Seven post offices were earmarked for closure in Haringey, and although one post office was reprieved within the London area plan consultation decision, Post Office Ltd decided to proceed with the closure of six post offices in or (adjacent to) Haringey. These were:

- 100, Alexandra Park Road N10
- 434, West Green Road, N15
- Salisbury Road, N22
- 69, Weston Park, N8
- Ferme Park Road, N4
- Highgate High Street, N6.

3.5 Thus as a result of the Network Change Programme, the post office network in Haringey was reduced from 25 to 19 post offices. A list of remaining post offices in Haringey is contained in Appendix A.

3.6 Analysis of the consultation decision document suggested that the consultation received two critical pieces of evidence concerning the reprieve of the post office at Page Green, 100 Broad Lane, N15. These were:

- the number of sheltered housing residents adjacent to proposed post office closure and the implications for older and vulnerable residents in accessing alternative post offices

- the prospect of planned future development near the proposed post office closure which may increase future demand for post office services in this area.

3.7 As part of the Network Change Programme, one Crown post office was identified for franchise (824, High Road, Tottenham, N17). As a result of a separate consultation on the franchise of Crown offices, Post Office Ltd decided to proceed with this franchise of this post office.

4. National evaluations of Network Change Programme

4.1 A number of public bodies have sought to assess the Network Change Programme and to determine what impact post office closures have had. Consumer Focus,⁵ National Audit Office,⁶ House of Commons Public Accounts Committee⁸ and the House of Commons Business & Enterprise Committee⁹ ¹⁰ have all carried out assessments of the Network Change Programme. A summary of the key findings and conclusions from these assessments are have been grouped together under the following headings:

- the consultation process
- financial impact
- impact on service quality
- social impact

The consultation process

4.2 It was noted that the consultation exercise for the Network Change Programme engaged with approximately 2.7 million people and generated about 190,000 formal responses. Despite these record responses, it was evident that there were a number of inherent problems in the consultation process which led to widespread public concern and frustration.

4.3 A summary of the main problems associated with the consultation for the network change programme is given below:¹¹

- The public were broadly unaware that a national consultation on the post office closures had already taken place and that this had already established the rationale for the closures and the total number of closures to be implemented
- The national consultation and the local area plan consultations were too far apart (18 months) and as a result, any initial public awareness or insight obtained after the national consultation was lost

⁵ How was it for you? Consumer engagement in the post office closure programme. Consumer Focus February 2010

⁶ Evaluating the quality of service and product advice in Crown and Privately managed post offices Consumer Focus December 2009

⁷ Oversight of the post office network change programme, National Audit Office (DBERR) June 2009

⁸ Oversight of the Post Office Network Change Programme House of Commons Public Accounts Committee 53rd report 2008/9 session July 2009

⁹ Post offices – securing their future. House of Commons Business & Enterprise Committee June 2009

¹⁰ After the Network Change Programme: the future of the post office network House of Commons Business & Enterprise Committee June 2008

¹¹ How was it for you? Consumer engagement in the post office closure programme. Consumer Focus February 2010

- The length of consultations on local area plans (6 weeks) were insufficient to allow local communities to engage and respond appropriately
- Local consultations failed to provide adequate guidance on what was being consulted upon (i.e. the accuracy of data on which closures were based) and what information would be acceptable (i.e. evidence not petitions)
- Consultation materials produced to support local consultations were poor.

4.4 Thus although the consultation on the Network Change Programme recorded a record number of participants, it has been suggested that it did not actively engage with local people. As a result, the consultation failed to fully understand what impact post office closures would have on local communities and also gave rise to community frustration as people felt that they could not influence decisions through the consultation process. In its evaluation of the Network Change Programme, Consumer Focus (which incorporates Postwatch) concluded that the evaluation was 'flawed'.

Financial impact

4.5 The implementation of the Network Change Programme was forecast to cost £176m by way of compensation paid to sub-postmasters of closed post offices. It was estimated that the closure programme, if fully implemented, would produce an annual saving of £45m for Post Office Ltd.

4.6 The actual cost of implementing the Network Change Programme was £156m (£20m below forecast) as compensation was not as high as expected. There is evidence to suggest that the Network Change Programme has also achieved the expected annual savings and contributed to an improved financial position for Post Office Ltd:

- The network transformation programme contributed to a £85m reduction in costs for Post Office Ltd¹²
- Improved operating profits from £41m in 2008/09 to £72m in 2009/10¹³
- Post Office Ltd is on track to return to profitability by 2011.

4.7 Ongoing concerns remain however, as to whether the rationalisation of the post office network will achieve lasting financial security for the post office network, when there may be other significant factors contributing to the profitability of Post Office Ltd. Both the Public Accounts Committee and the Business & Enterprise Committee have noted that increasing revenue streams, particularly from central and local government, is critical to the future financial sustainability of the post office network.

4.8 To help maintain unprofitable post offices within the network, especially in rural areas, Post Office Ltd receives an annual Network Subsidy Payment of £150m. It is noted here, as reported Commons committee's assessments; continued receipt of this subsidy is important to overall profitability of Post Office Ltd. At present, this payment has only been agreed until 2011/12.

¹² <http://www.shareholderexecutive.gov.uk/performance/postoffice.asp>

¹³ Postcomm 9th Annual Report 2010

4.9 In an overall appraisal of the financial health of Post Office Ltd, it has been noted that considerable improvement has been achieved in the financial position of the company and that there is a 'new vigorous and commercial leadership' which may help to develop new business opportunities.¹⁴

Service Quality

4.10 An assessment of the quality of post office services is undertaken each year, most recently by Consumer Focus.¹⁵ The assessment is based on a mystery shopper model, with a team of evaluators providing assessments on over 400 post office branches. The most recent survey was conducted in 2009, after the implementation of the Network Change Programme. For comparability, as far as possible, the same post offices were included within sampling structure for successive assessments. The following highlights some of the key findings from this assessment in relation to queues, waiting times, counter positions and quality of service provided and staff interaction.

4.11 Data from the mystery shopper exercise would appear to suggest that in the year to 2009, the average queue length has decreased in Crown post offices though increased in privately managed post offices (Figure 1). 27% of Crown post offices did not have a queue at the time of the visit in 2009 compared to 16% in 2008. 40% of privately managed post offices did not have a queue at the time of the visit (the same as previous years).

Figure 1 - Average queue length at post offices 2006-2009				
	2006	2007	2008	2009
Crown	8.3	8.5	7.3	5.9
Privately Managed	3.8	3.8	2.9	3.1
All	5.9	5.9	4.9	4.3

4.12 Although the number of people in post office queues would appear to have reduced between 2008 and 2009, the average time spent queuing increased (Figure 2). Time spent waiting in the queue has increased for Crown post offices and privately managed post offices (Figure 2). It should be noted that the average waiting time in post offices in Greater London (6m 59 sec) is significantly longer than the national average (4 min 38 sec).

Figure 2 - Average time spent waiting in queue 2006-2009				
	2006	2007	2008	2009
Crown	5m 20sec	6m	5m 40 sec	6m 07 sec
Privately Managed	3m	3 m 50sec	3m 10sec	3m 34sec
All	4m 10sec	4m 50sec	4m 20sec	4m 38sec

4.13 In terms of counter positions at post offices, the average number of counter positions in each branch appears to have decreased from 2008 to 2009 (Figure 3).

Figure 3 - Average number of counter positions in each branch 2008-

¹⁴ Post offices – securing their future. House of Commons Business & Enterprise Committee June 2009
¹⁵ Evaluating the quality of service and product advice in Crown and Privately managed post offices Consumer Focus December 2009

2009		
	2008	2009
Crown	8.01	7.56
Privately Managed	4.64	4.52
All	6.16	5.79

- 4.14 Data would also indicate that the average number of counters actually open and accepting customers has marginally decreased from 2008 to 2009 (Figure 4). The proportion of counters open and accepting customers across the network however, has increased from 52% in 2008 to 56% in 2009.

Figure 4 - Average number of counter positions open and accepting customers in each branch 2008-2009		
	2008	2009
Crown	4.0	3.9
Privately Managed	2.5	2.5

- 4.15 The evaluation indicated that the time spent with each customer increased at both Crown and privately managed post offices from 2008 to 2009 (Figure 5). It was also noted that the average time spent with customers at post offices in Greater London was significantly longer at 4m 37sec.

Figure 5 - Average time spent with each customer 2008-2009		
	2008	2009
Crown	3m 30sec	4m 11sec
Privately Managed	3m 40sec	3m 50sec

- 4.16 In terms of satisfaction with the quality of services provided, there was a high level of satisfaction with the interpersonal skills of counter staff. In the mystery shopper exercise, over 95% of assessments indicated that counter staff spoke clearly, were easy to understand, listened to requests, dealt with enquiries efficiently and were helpful. It was also noted that satisfaction scores for 2009 were consistently higher than that recorded for 2008. Satisfaction scores at Crown post offices are also consistently higher than those obtained in privately managed post offices.

- 4.17 Although this service quality assessment would suggest that there is some national improvement on a range of performance measures, it should be noted that these are, on the whole, average responses for post offices within the mystery shopper sample. Thus there may be significant local variations in performance to those reported above. There is at present no national set of quality standards for the post office network (e.g. queuing, waiting times, service quality), though this has been proposed in recent assessments.¹⁶

Social Impact

- 4.18 The Network Change Programme has been criticised for the paucity of social and economic assessments of post office closures within consultation

¹⁶ Oversight of the Post Office Network Change Programme House of Commons Public Accounts Committee 53rd report 2008/9 session July 2009

literature.¹⁷ Similarly, there has been little assessment of the social or economic impact of post office closures enacted through the Network Change Programme.

4.19 One of the few studies to assess the social impact of the Network Change Programme was undertaken in Wales. This report from Consumer Focus Wales¹⁸ concluded that:

- Reduced access to post office impacted on the most vulnerable communities the most: elderly, disabled and those with long term conditions, those on low income or reliant on public transport
- Those with a disability or health problem reported difficulties in accessing alternative services and in queuing for long periods of time
- Post office closures have reduced social/community interaction which has broken a community link.

4.20 On the recommendation of the Public Accounts Committee, Postcomm was requested to undertake an assessment of the social and economic value of the post office network (not an impact assessment of the closures). This report seeks to attach a quantifiable monetary value to the post office network as a whole for services that it provides. Three key conclusions reached within this report:¹⁹

- considering the costs and benefits, the post office network delivers excellent social value
- for a sizeable proportion of the population, the post office network provides services which is not readily available elsewhere
- the estimated annual value of the post office network to households and Small and Medium size Enterprises is between £2.3billion and £10.2 billion.

Local impact of closures

4.21 The impact of the post office closures in the remaining post office network in Haringey is difficult to assess given the lack of publicly available data for local post offices (e.g. in respect of queues, waiting times). An issue here is that the vast majority of post offices within the local network are franchised, and as such, are operated as private financial concerns. In this context, Post Office Ltd may be limited as to what information can be placed in the public domain.

4.22 Post Office Ltd will be attending Overview & Scrutiny Committee on the 5th July, for which a detailed list of questions has been prepared from local elected representatives and whose responses will be circulated before the meeting. Members will also be able to question Post Office Ltd at the meeting.

4.23 A short survey has been designed to provide a snapshot of local opinion on the impact of the post office closures. This was distributed via relevant local Area Assemblies. Although a larger and more structured study would be needed to fully assess the local impact of post office closures, it is hoped that this short survey will provide some insight in to local opinion. Given the timing of the

¹⁷ Oversight of the Post Office Network Change Programme House of Commons Public Accounts Committee 53rd report 2008/9 session July 2009

¹⁸ Post Office Closures: the impact of the Network Change Programme, Consumer Focus Wales February 2010

¹⁹ The social value of the post office network NEFRA Economic Consulting (for Postcomm) August 2009

Area Assembly cycle, findings from this will be fed back verbally at the Committee.

5. Local authority role in supporting local post offices

National developments

5.1 In their role as community leader and place shapers, it has been argued that local authorities can play a part in developing a sustainable network of local post offices.²⁰

5.2 Local authorities may support the local post office network through enabling branches to receive payments for a number of council services, for example council tax or rent of local housing. Not only do these provide a revenue stream for local post offices, but they also provide footfall for local branches which may provide an opportunity to market other post office services.

5.3 As has already been suggested in this report, the loss of post offices, particularly in rural areas, may diminish community links and ties. Therefore the prospect of post office closures within the Network Change Programme drew a number of local authorities to consider further options on how the network of post offices could be supported in their area.

5.4 The Local Government Association has provided some illustrative examples of how local authorities have supported local post offices. In general, models of support have centred upon either:

- developing new business streams for post offices (across a local network)
- providing financial grants to ensure the viability of identified post offices (particularly in rural areas).

5.5 A number of local authorities have developed new services to help support business income across a local network of post offices. Some examples of this are provided below:²¹

- Ealing Council: Council tax rebate was administered through post office
- London Councils: post offices used for document submission for Freedom Pass renewal
- Leeds City Council: school clothing payments.

5.6 In terms of grant provision, the Essex Post Office initiative operated by Essex County Council is perhaps the most widely known. This £1.5m scheme has supported the re-opening of 8 post offices through the provision of grant payments. In return, the individual business agrees to provide a range of community information and other council related services from their premises. An evaluation is to be published imminently, where it is thought that this scheme will be substantially remodelled.

5.7 To date, only one post office has been recorded as being operated directly from a local authority building (Newtown St Boswells, Scottish Borders Council).²²

²⁰ Local councils – supporting a sustainable post office network Local Government Association January 2010

²¹ Local councils – supporting a sustainable post office network Local Government Association January 2010

²² <http://www.scotborders.gov.uk/news/29274.html>

The Council hosts the post office for 3 days a week, though this is operated and staffed by Sub-postmaster from a neighbouring locality.

- 5.8 The National Federation of Sub-Postmasters which represents the owners of franchised post offices has published guidance on how to develop a local sustainable post office network.²³ Whilst the NFSP suggest that local authority ownership of local post offices is not a viable support model, it recommends that local authorities play a vital role in supporting the local post office network through:
- Ensuring the provision of council business through local post offices
 - Supporting independent local retailers and ensuring the vitality of local retail centres.

Local developments

- 5.9 Subsequent to the publication and implementation of the Network Change Programme, council officers reviewed the potential of reopening of one or more of those post offices earmarked for closure in Haringey. In liaison with Essex County Council, who had already established a model of intervention, Alexandra Park Library was identified as a possible site at which an outreach service could be developed (to substitute services from the closed Alexandra Park Road post office).

- 5.10 Although initial discussions with a sub-postmaster from a neighbouring post office to operate an outreach service from the Alexandra Park Library site were positive, proposals did not come in to fruition. There were a number of factors which militated against these proposals:
- Post Office Ltd would require a substantial payment to allow a new outreach service to access its support structure (£40k)
 - The sub-postmaster reported significantly increased profits arising from the closure of neighbouring post offices which may have been a disincentive to open an additional post office outreach service.

6. Future developments for the post office network

National legislative developments

- 6.1 In the Queen's Speech of 25th May 2010, a programme of 24 Bills was proposed by the new coalition government. Included within current parliamentary programme is the Postal Services Bill. Although details of the Bill have not been published as yet, it is apparent from the coalition document²⁴ and other summary statements provided thus far, that there will be a number of provisions relating to the operation of the post office network.
- 6.2 The main benefits of the Postal Services Bill would be to safeguard the future of the Royal Mail and the Post Office network. The proposed purpose of the Postal Services Bill concerns the part privatisation of Royal Mail:

²³ Six steps to a sustainable post office network: A report by the National Federation of SubPostmaters (March 2009)

²⁴ The Coalition: our programme for government Cabinet Office 2010

*'...tackle the fundamental and longstanding problems facing Royal Mail.... [and] enable an injection of private capital, along with other measures, to help Royal Mail and ensure the provision of the universal postal service.'*²⁵

- 6.3 A number of commitments to the post office network are also made within the coalition document. These are:
- Post Office Limited will remain in public ownership
 - Post Offices will be allowed to offer a wide range of services in order to sustain the network, and a case for developing new sources of revenue, such as the creation of a Post Office Bank, will be assessed.

The Hooper Review (2008)

- 6.4 The Hooper Review²⁶ was published in December 2008. Although the remit of the review was to find ways to maintain a universal postal service, a number of observations were made about the viability of the post office network which are useful to include here. In addition, suggested solutions for financial viability of Royal Mail Ltd may have implications for Post Office Ltd (being a subsidiary business).

- 6.5 The review recommended that the Post Office Ltd remain in public ownership and formed the following conclusions on the operation of the business:
- Although it is a commercial business, it has a social obligation: ¾ of the network of 12,000 post office do not make a profit and need to be subsidised
 - The operation of the post office network is central to universal postal service
 - There is potential for the post office network to be used more extensively.

- 6.6 One of the options developed within the review was the part-privatisation of Royal Mail Ltd. This option has been included in government Bills in the 2008/9 parliamentary session and of course, the current parliamentary session (see 6.2). It is difficult to predict the impact that part privatisation of Royal Mail may have on post offices, though as the National Federation of Sub-postmasters makes clear, the businesses of Royal Mail and Post Office Ltd are inextricably linked:²⁷

- Royal Mail services accounts for 1/3 of sub postmasters pay
- ½ of all visits to post offices are for postal services
- 900 post offices also house Royal Mail delivery staff.

- 6.7 It is noted that the mail regulator Postcomm, supports the complete separation of Royal Mail and Post Office Ltd. Supposed benefits of a de-merger between these public services may:²⁸

- allow both services to concentrate on the separate challenges that face their businesses

²⁵ www.number10.gov.uk

²⁶ Modernise or decline – Policies to maintain the universal postal service in the United Kingdom. An independent review of the postal services sector. Richard Hooper CBE

²⁷ <http://www.nfsp.org.uk/>

²⁸ Postcomm 9th Annual Report 2009

- provide greater commercial freedom for the business (new contracts with other businesses)
- improve financial transparency between Royal Mail Ltd and Post Office Ltd.

6.7 Clearly, the businesses of Royal Mail and Post Office Ltd are closely linked. Therefore a move to part-privatise Royal Mail or separate these businesses may have future implications the post office network.

7. Conclusions

7.1 A summary of the main conclusions that may be drawn from this report are given below:

- The Network Change Programme was developed to rationalise the post office network and help restore Post Office Ltd to profitability. There is evidence to suggest that this has been achieved.
- Local assessments of the consultation process on the post office closure programme concurred with national evaluations: there was little awareness of the national consultation programme, 6 local consultations were too short and there was insufficient analysis of the social and economic impacts of closures.
- Although the consultation on the Network Change Programme allowed for the reprieve of one post office in Haringey, the decision to proceed with a further 6 closures was confirmed. Approximately 2,400 post offices were closed nationally within this programme.
- There were inherent problems with the consultation on the Network Change Programme which precipitated considerable local frustration and has drawn strong criticism from national consumer organisations.
- It is evident that the impact of post office closures has been felt most keenly by more vulnerable groups in the community, especially those who have restricted mobility which may limit their ability to use alternative post office services.
- National data would appear to suggest that there has been little impact on service quality arising from the programme of post office closures: queues lengths are down, queuing times are up though a greater proportion of counters are open. There may however be local exceptions to this pattern of national data.
- Although the Network Change Programme has reduced costs and contributed to improved profitability of Post office Ltd, it is clear that the development of new business streams will be critical in maintaining the ongoing financial viability of the post office network.
- Local authority interventions to support the post office network have been most prominent where post office closures have occurred in rural

communities, as the loss of this service may present a break of community ties.

- A Postal Services Bill is to be tabled in the forthcoming parliamentary session. Although details of the Bill have yet to be published, it is expected that it will confirm that Post Office Ltd will remain in public ownership and will aim to develop new business for the company. It will also provide for the part privatisation of the parent company (Royal Mail), for which the implications for post office services is unclear.

Appendix A - Remaining post offices in Haringey (Total = 19)

Green Lanes, Haringay, N4

Archway Road, N6

Topsfield Parade, Crouch End, N8

High St, Hornsey, N8

Turnpike Lane, N8

Muswell Hill Broadway, N10

Alexander Parade, Colney Hatch Lane, N10

Brownlow Road, N11

Seven Sisters Road, Tottenham, N15

West green Road, Tottenham, N15

Page Green, Broad Lane, N15

534 High Road, Bruce Grove, N17

824 High Road, Tottenham, N17

Great Cambridge Road, Tottenham, N17

Mount Pleasant Road, Tottenham, N17

Park Lane, Tottenham, N17

191 High Road, Wood Green, N22

358 High Road, Wood Green, N22

Lordship Lane, Wood Green, N22