

Post Office Ltd

Network Change Programme

Area Plan Proposal London

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1. Introduction

The Government has recognised that fewer people are using Post Office[®] branches, partly because traditional services, including benefit payments and other services are now available in other ways, such as online or directly through banks. It has concluded that the overall size and shape of the network of Post Office[®] branches ("the Network") needs to change.

In May 2007, following a national public consultation, the Government announced a range of proposed measures to modernise and reshape the Network and put it on a more stable footing for the future. A copy of the Government's response to the national public consultation ("the Response Document") can be obtained at www.dti.gov.uk/consultations/page36024.html.

Post Office Ltd has now put in place a Network Change Programme ("the Programme") to implement the measures proposed by the Government. The Programme will involve the compulsory compensated closure of up to 2,500 Post Office® branches (out of a current Network of 14,300 branches), with the introduction of about 500 service points known as "Outreaches" to mitigate the impact of the proposed closures. Compensation will be paid to those subpostmasters whose branches are compulsorily closed under the Programme.

To support the necessary changes to the Network and put it on a more stable footing and to support the reshaped Network of the future, the Government has proposed an investment of up to £1.7bn as a funding package.

The majority of Post Office[®] branches - more than 80% - will <u>not</u> change as a result of the Programme. Post Office Ltd is seeking to implement those changes that do take place as efficiently and sensitively as possible.

One of the key ways in which Post Office Ltd will make sure that people continue to have the best possible access to Post Office services is by applying the minimum access criteria prescribed by the Government in the Response Document:

Nationally:

- 99% of the UK population to be within 3 miles and 90% of the population to be within 1 mile of their nearest Post Office[®] branch.
- 99% of the total population in deprived urban areas across the UK to be within 1 mile of their nearest Post Office branch.
- 95% of the total urban² population across the UK to be within 1 mile of their nearest Post Office[®] branch.
- 95% of the total rural³ population across the UK to be within 3 miles of their nearest Post Office[®] branch.

¹ Deprived urban – The most disadvantaged urban parts of the UK based on the Indices of Multiple Deprivation (top 15% Super Output Areas in England, 15% of Data Zones in Scotland and 30% of Super Output Areas in Wales and Northern Ireland).

² Urban – A community with 10,000 or more inhabitants in a continuous built up area.

³ Rural – A community not covered by the definition of Urban above.

In addition, for each individual postcode district:

 95% of the population of the postcode district to be within 6 miles of their nearest Post Office[®] branch.

Changes to the Network can only take place within the prescribed access criteria.

In order to deliver the changes set out in the Response Document, Post Office Ltd has divided the UK into 47 areas ("Areas"). For each of these Areas Post Office Ltd will develop a local area plan proposal ("Area Plan Proposal") which will set out the changes that it proposes to make within it. The Area Plan Proposal for London has been developed and in this booklet you will find information on the changes proposed for London. Full details of the Area Plan Proposal for London are available on our website www.postoffice.co.uk/networkchange or by contacting us at the address given below.

When developing the Area Plan Proposal for London, Post Office Ltd analysed a number of factors. These included the proximity of the Post Office branches proposed for closure to other nearby branches, the number of customers currently using a particular Post Office branch, the size and ability of nearby branches to absorb extra customers, and the commercial implications of any decision for Post Office Ltd.

Post Office Ltd has also taken into account obstacles such as rivers, mountains and valleys, motorways and sea crossings to islands in order to avoid undue hardship to customers. In addition, the availability of public transport, alternative access to key Post Office® services (such as cash withdrawals, bill payments, mail services), local demographics and the impact on local economies have all been considered. Post Office Ltd has sought information from a number of external organisations and people, including subpostmasters, local authorities and regional development agencies to assist with this process.

Postwatch, the independent consumer watchdog for postal services, has worked with us in assessing the options for change during the period leading up to the publication of the Area Plan Proposal. Post Office Ltd has also engaged with other stakeholders, including relevant MPs.

Local Public Consultation

Each Area Plan Proposal is subject to local public consultation to ensure that the views of local people are taken into account before any final decisions are made by Post Office Ltd.

The local public consultation on the Area Plan Proposal for London will commence on 19 February 2008. The local public consultation will last for a period of six weeks and the closing date for feedback is 2 April 2008. Exceptionally in this instance we have extended public consultation by 2 working days to allow for the holiday period over Easter. Please send your views and comments in writing regarding access to future Post Office® services in this Area to the address detailed below (payment of postage is not required to a Freepost address). Please note that your comments will not be kept confidential unless you expressly ask us to do so by clearly marking them 'In Confidence'.

Anita Turner
Network Development Manager
C/o National Consultation Team
FREEPOST CONSULTATION TEAM

Email: consultation@postoffice.co.uk Customer Helpline: 08457 22 33 44

2. The Area Plan Proposal for London

Post Office Ltd is acutely aware of the concerns that changes, including closures, affecting Post Office® branches in London will cause. In fulfilling the Government's requirement to reduce the overall size of the Post Office® network ("the Network") — and to do so in a way which creates similar results across the UK as a whole, and ensures that no group of inhabitants at an area level is overall significantly more adversely affected than any other — we are proposing to retain a total of 681 Post Office® branches and to close 169 existing branches.

If these proposed changes take place, Post Office Ltd will still remain the largest retailer by Network size in London, and will still have more branches open than the number of branches of major banks and building societies combined. In total 7 million London residents will either see no change to the branch that they currently use or will remain within one mile of an alternative outlet.

At present London's 7.2 million residents are served by a total of 852 branches. Usage of Post Office® branches is falling, in line with national trends, as more customers access services at other places, make more use of the internet and have their Government benefits, including pensions, paid directly into bank accounts.

This Area Plan Proposal supports achievement of the national accessibility criteria set by the Government, forms part of an overall reduction in the number of branches by up to 2,500 across the UK and does not disproportionately affect the inhabitants of the area relative to other parts of the UK.

In addition to meeting these criteria, when preparing this Area Plan Proposal Post Office Ltd has considered factors relating to geography, the availability of local transport and alternative access to key Post Office® services, local demographics and the impact on local economies. All branches where changes are proposed have been visited by members of Post Office Ltd's staff to make sure that all customer needs at a local level are considered when developing the Area Plan Proposal.

London communities are diverse in nature and over 300 languages are spoken within the city, representing a wide range of peoples, cultures and religions. Around a fifth of London's 4.6 million jobs are filled by people who live outside the Capital, therefore increasing the number of Post Office® customers in London.

London's diverse communities combine areas of notable affluence alongside pockets of deprivation and in both cases customers are able to draw from a variety of Post Office® services. London serves as the largest aviation hub in the world with major international airports and a large port serving the area bringing in over 13 million visitors to the capital each year for business or holiday. Post Office Ltd recognises the importance of this mix of business and tourism and its impact on access to Post Office® services.

Some 95.8% of London's population live in urban communities and 4.2% in "rural" communities as defined by the Government classification. The needs of those living in communities defined as deprived have been carefully considered in this Area Plan Proposal, reflecting the specific national criteria set by the Government to give greater safeguards on the accessibility of branches in these communities. Some 17.9% of London's total population live in deprived communities. This proposal of future Network provision in London provides for 138 branches being located in urban deprived communities.

In order to meet the Government's access criteria and avoid undue hardship, Post Office Ltd is proposing a future Network comprising 675 branches in urban areas and 6 branches in "rural" areas such as villages around Heathrow.

Post Office Ltd has engaged with various stakeholders when preparing this Area Plan Proposal. We have consulted with the independent consumer watchdog on postal services, Postwatch, and have asked all local authorities within the London area to provide information and views relevant to the factors which we are able to consider. Our aim throughout has been to minimise the impact, as far as possible, on our customers and to produce the most effective overall proposal for the future.

In our communications with stakeholders we have been made aware of various regeneration, development and transport plans affecting areas within the overall plan. Feedback was received from Local Authorities including the London Borough of Bexley, the London Borough of Bromley, the London Borough of Camden, the London Borough of Enfield, the London Borough of Greenwich, the Royal Borough of Kingston upon Thames, the London Borough of Lambeth, the City of London, the London Borough of Merton, the London Borough of Richmond upon Thames and the London Borough of Waltham Forest.

The input that we have received regarding public transport provision does not suggest any proposed reduction in current provision which could leave branches significantly less accessible for particular communities or make it more difficult for customers to access alternative branches than at present.

We believe that the proposed area plan takes account of the information that has been made available. Provision of Post Office® services within the Area Plan will be kept under review should demand increase beyond anticipated levels in the future.

In finalising the Area Plan Proposal, all branches were carefully considered against the Government's minimum access criteria which Post Office Ltd must meet and with regard to other factors that we must consider. In total 33% of the initial Area Plan Proposal was changed as all the above mentioned factors were reviewed and as information from stakeholders was considered and assessed.

Future service provision:

On 8th January 2008 Post Office Ltd announced the start of public consultation for proposals to close Essex Road and Ludgate Circus Crown Post Office® branches. This consultation is being run alongside the Network Change Programme. The Network Change Programme is a separate part of the strategy for the future of Post Office® branches and does not apply to Crown Post Office® branches.

Post Office Ltd is considering the future of the Crown Post Office® branches alongside the Network Change Programme proposals to ensure that service provision for customers in the areas is looked at as a whole. So the consultation periods will end on the same date and all responses made will then be considered before final decisions are made. At present there are 106 Crown Post Office® branches serving communities in London and a further15 flagship branches located in WHSmith with one remaining in consultation. We expect to franchise the following Crown Post Office® branches: Tottenham Post Office®, East Acton Post Office®, Borough Post Office® and Maida Hill Post Office®.

The Area Plan Proposal envisages a Post Office® Network of 681 Post Office® branches in London, which ensures that Post Office Ltd would comply with the minimum access criteria set by the Government. For 89.4% of customers this would mean no change to the Post Office® branch that they currently use.

The Network now proposed for London continues to offer better access to services than that of any similar organisation, while accepting the Government's decision to reduce overall branch numbers. Subject to the Government's overriding criteria, we have considered geography, transport provision, demographics and local economic impact where appropriate

Post Office Ltd understands the importance of its role in both urban and rural communities and is keen to continue to provide access to services for as many customers in as many of these communities as possible. We have also considered the relative convenience of alternative branches for those customers whose closest branch is proposed for closure. Some 10.6% of customers currently use a branch that is proposed for closure. However these customers would still have access to Post Office® services within one mile as measured by road distance (5.9% being within half a mile of their nearest alternative). In total 99.9% of the population will either see no change, or will be within one mile of an alternative branch.

Next steps....

During the local public consultation, which will commence on 19th February 2008 and end on 2nd April 2008 we will seek views on the proposed future service provision in London as outlined in this Area Plan Proposal.

Subject to the conclusion of the local public consultation period and after consideration of feedback received, no changes would be implemented before June 2008.

Post Office Ltd is at a crucial point. Customer numbers are falling, customer habits are changing and many of our traditional services are available elsewhere. It is essential that the changes, which include a reduction in the number of branches, are made if the Network is to have a sustainable future. We therefore welcome your views and comments regarding access to future Post Office® services in this area. In particular we ask for your views on accessibility to the nearest Post Office® branch.

postwatch

The consumer watchdog

Postwatch is the independent watchdog for postal services, created by the Postal Services Act 2000. Postwatch is working with Post Office Ltd and local communities throughout the programme to help secure the best possible outcome for customers.

What Postwatch will do

Postwatch operates through nine regional and national committees across the UK. Postwatch's role during the programme — prescribed by government - is to scrutinise Post Office Ltd's proposals and give feedback, ensure local consultations are meaningful, and that Post Office Ltd's decisions are sensible and in line with government criteria.

Each Postwatch regional office investigates Post Office Ltd's closure proposals. Postwatch receives area plans in advance of public consultation, allowing the time to examine proposals, and Post Office Ltd the chance to refine their proposals before going to public consultation.

Once public consultation is underway, Postwatch works to raise awareness of local consultations, and encourage participation. Postwatch will also work to ensure the minimum access criteria set out by the government are maintained.

Where Postwatch thinks proposals are unsatisfactory, they will work with local communities and Post Office Ltd to address these problems. There is an agreed review mechanism between Postwatch and Post Office Ltd for such instances. It is important to note that Postwatch does not have a power of veto on Post Office Ltd's decisions.

Further information

Postwatch and Post Office Ltd have agreed a Memorandum of Understanding, which sets out in detail the role Postwatch will play in the Programme. This is available on the Postwatch website at www.postwatch.co.uk.

London area - Post Office branches proposed for Closure

Branch Name	Address	Town/City	Postcode	Constituency	Local Authority
Page Green	87 Broad Lane, South Tottenham	London	N15 4DW	Tottenham	London Borough
West Green Road (434)	434 West Green Road, South Tottenham	London	N15 3PT		of Harringey London Borough
Alexandra Park Road	100 Alexandra Park Road, Muswell Hill	London	N10 ZAE	Hornsey and Wood Green	of Harringey London Borough of Harringey
Ferme Park Road	Finsbury Park	London	N4 4ED	Hornsey and Wood Green	London Borough of Harringey
Salisbury Road	Wood Green	London	NZZ 6NL	Hornsey and Wood Green	London Borough of Harringey
Weston Park	89 Weston Park, Hornsey	London	N8 9PR	Hornsey and Wood Green	London Borough of Harringey