



Advice NI response to the Post Office Network consultation

Deadline: Thursday 8th March 2007

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Introduction

Advice NI welcomes the opportunity to respond to the DTI consultation paper on the Post Office network. Before getting into the issues under discussion, it is perhaps first necessary to set the scene, particularly from a Northern Ireland perspective :

Total number of Post Office Branches in UK –

14,295: 45%, 6,502 – urban

 55%, 7,793 – rural

Total number of Post Office Branches in NI –

540: 30%, 160 – urban

 70%, 380 – rural

Total number of Post Office Card Accounts in UK - 4.1 million.

Total number of Post Office Card Accounts in NI - 250, 000 (approximately)

These figures highlight that in terms of Northern Ireland:

- (1) a relatively greater number of Post Office branches are based in rural areas in Northern Ireland than is the case for the UK as a whole;
- (2) Post Office Card Accounts are relatively more popular in Northern Ireland than is the case for the UK as a whole. This suggests that usage of Post Offices is greater.

Therefore Advice NI believes that it is reasonable to assume that any Government strategy for the Post Office network will have a greater impact in Northern Ireland relative to UK as a whole.

Advice NI would advocate that members of the devolved Assembly in Northern Ireland be given the opportunity to contribute to the development of the strategy for the Post Office Network. This may well require a special effort on the part of Government given that Assembly elections are due to take place on 7th March and that any Assembly may not be operational for some weeks after this date.

Again in the context of Northern Ireland, under Section 75 of the Northern Ireland Act 1998, public authorities are required to have due regard to the need to promote equality of opportunity:

Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;

Between men and women generally;

Between persons with a disability and persons without; and

Between persons with dependants and persons without.

In recent years the pattern of migration to Northern Ireland has changed considerably, with increasing numbers of migrant workers coming to Northern Ireland to find employment. At present there are around 50,000 registered workers mainly coming from the A8 states.

Advice NI would have particular concerns regarding access of information to these new communities, who predominately would settle in rural areas close to traditional employment. Advice NI feels that the Post Office should take an intercultural approach to their development of a strategy for the network, thus ensuring that service provision accommodates the ever increasing diversity of communities in Northern Ireland (and across GB).

Advice NI believes that Government will have to carry out a very careful Equality Impact Assessment on any policy regarding the Post Office Network given the adverse impact that any such policy may have on any/all of the above categories in Northern Ireland.

Advice NI is particularly concerned about the possible adverse impact on people's ability to access their local Post Office services in rural areas and disadvantaged urban areas.

There must be explicit recognition that Post Offices:

- Provide an essential public service, particularly for vulnerable people;
- Provide a necessary personal service, particularly for vulnerable people;
- Act as a focal point for local communities;
- Play a key role in day-to-day life in Northern Ireland;
- Provide accessible services, particularly important given the rural context of Northern Ireland and the inadequacies of public transport;
- Enable people to access their social security benefit payments locally at a time that suits them;

- Provide access to the current accounts of some (but certainly not all) banks;
- Can provide both an alternative to and a substitute for banking services which are themselves becoming less accessible with branch closures;

Advice NI notes the increasing number of Post Office closures over the past fifteen years:

92/93 - 202

93/94 - 176

94/95 - 175

95/96 - 193

96/97 - 163

97/98 - 243

98/99 - 233

99/00 - 382

00/01 - 547

01/02 - 262

02/03 - 345

03/04 - 1278 Network

04/05 - 1352 Reinvention programme

05/06 - 233

Therefore there will come a time when the focus will need to be on sustaining what exists rather than looking to rationalise and seek further closures.

Advice NI would advocate the piloting of alternative services in Northern Ireland before any substantial decisions are taken regarding the network which might undermine any of the above aspects of the current Post Office services.

Consultation Questions:

- 1. Do you think the Government's forward strategy for the Post Office network addresses all the key issues and challenges the network faces?**

No. Advice NI believes that there is a fundamental tension between whether the Post Office network exists to carry out an essential public service or whether it exists as a commercial, viable business activity.

There is a strong sense within the document that Government believes the latter: “we recognise the important social and economic role of post offices ... but we also recognise that some restructuring will be necessary to put it on a firmer, more sustainable footing”, “since 1999 the Government has made a very substantial investment in the post office network of more than £2 billion”, “the network lost £2 million every single week last year, rising to £4 million this year”, “Government’s total funding will amount to more than £7 million a week”, a network of over 14,000 offices is “unsustainable”. If this is the case, then there would have to be a real concern over the future of the Post Office network.

2. Are there other significant factors affecting the future of the Post Office network which appear to have been overlooked in the Government’s proposed approach?

Advice NI would be concerned that the strategy takes an overly rigid, inflexible approach to the Post Office network. For example, migration (both internal and from abroad) may well affect the need for new offices in certain localities; certain Post Offices may well be seen as being viable and needed but an inability to replace retiring sub-postmasters may mean these offices could face closure despite them being sustainable and providing an essential service to the local community.

In addition, the Post Office network has lost key contracts (for example TV Licence payment facility) and further erosion of its ability to generate income will surely put more pressure on the network and add to the spiral of decline.

In order for the Post Office network to be competitive it must be able to compete. It is clear that in instances this has not been the case. For example, banks are frequently seen

advertising their accounts; rarely if ever does the Post Office network advertise its banking services.

Closures of a significant number of Post Offices in particular areas could result in an unsustainable increase on the business/service capacity of the remaining Post Offices in that vicinity. This undoubtedly could lead to longer queues, poorer services and facilities.

Advice NI believes closures of local Post Offices could adversely affect small businesses, as often customers who use Post Office services would also commerce with other businesses in the vicinity.

3. Do you have comments on the national access criteria proposed?

4. Do you have comments on the access criteria proposed for deprived urban and rural areas?

Advice NI believes the expected closures of many Post Offices in rural areas will bring fear and anxiety to many vulnerable people. This fear and anxiety could have detrimental affects on other aspects of these people's lives, such as their mental health. This point illustrates the point that the value of the Post Office network cannot be simply measured in financial terms.

Whilst the criteria explicitly refer to "deprived urban areas" Advice NI would be concerned about the situation where pockets of deprivation exist within relatively affluent urban areas and the impact this will have on people living in these areas in terms of access to a Post Office. There is no mention of deprivation in rural areas.

If smaller villages find themselves without access to a permanent Post Office service, without any banking services, vulnerable people will find themselves more financially excluded.

Again from a rural perspective, how does Government expect those 5% of people (living further than 3 miles / 6 miles) to access the Post Office services? Public transport does not provide the answer and taxis are too expensive. Often the only answer is to rely on others either for transport or rely on others to actually perform the transaction. This can undermine the independence of the individual and worse – can leave the individual vulnerable to being ripped off, bullied and abused.

5. Do you have any suggestions as to how services might be better delivered through the post office network?

Advice NI believes that more progress could be made as regards the issue of universal banking. This concept revolves around people being able to access their bank accounts at the Post Office. Advice NI understands that whilst a Universal Banking agreement is in place, commenced April 2003, this only covers Basic Bank Accounts. The Post Office application to become a member of the LINK network was declined last year although there are individual agreements with some banks to access their current accounts over the counter at Post Offices, specifically Bank of Ireland in Northern Ireland.

Advice NI believes that more could be done to expedite the goal of universal banking which would contribute towards the sustainability of the Post Office network.

6. Do you have any comments on Outreach arrangements as a means of maintaining service to small and remote communities?

Advice NI notes that the Outreach facility has significant emphasis within the strategy document. Whilst this proposal has merit, there are also drawbacks which require further analysis. Perhaps the most significant issue which requires consideration relates to mobile and part-time Post Office services. Both of these approaches are a substitute for a full time permanent service and therefore will mean reduced access.

Advice NI believes that there should be a robust analysis conducted wherever mobile and temporary services are proposed to ensure that the proposed services are at a frequency and time which suit service users.

Similarly the proposal to significantly increase ATM's across the Post Office network has merit but will need to be monitored closely. For many older people, people with numeracy/literacy difficulties and people with disabilities ATM's present difficulties in terms of using the machine and remembering the PIN.

7. Do you have comments on the practicality of community ownership of parts of the post office network?

Advice NI sees merit in the exploration of innovative and creative structures to maximise access to high quality Post Office services. The community ownership model is worthy of consideration but may not be the only approach worthy of consideration, for example there may well be merit in other Post Office network partnership working models.

Finally Advice NI would make comment on the consultation process. Not only is it very important that this process is rigorous but that people have had every chance to feed in and express their views. Regarding the latter point, Advice NI believes that more could be done (workshops, information sessions etc) to actively engage with a wider range of stakeholders – most importantly the general public who will be most affected by these deliberations. We have offered the eConsultation service as one of a range of potential tools for maximising participation – and are disappointed that this has not proven to be acceptable at this time. We would ask DTI to keep this situation and this offer under review.

Advice NI welcomes the opportunity to input into this consultation and would be keen to be kept informed of developments.

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