

The Post Office network

Postcomm has a limited role in relation to the Post Office network. It monitors developments in the network and provides advice to the Secretary of State for Business, Enterprise and Regulatory Reform in the form of an annual report. We are not involved in making decisions on the future of either the network or any individual post office.

In our reports and in commissioning research on the network, we aim to make sure that:


- the Government has clear advice about developments in the Post Office network, its role, and how to fund it
- attention is focused not on post office numbers, but on making sure customers have access to post office services to meet their current and future needs, and
- the provision of post office services takes account of the needs of vulnerable groups, as well as those living in isolated and deprived areas.

Key findings in Postcomm's 2007 annual report were:

- at the end of March 2007 there were 14,219 post offices in the United Kingdom (including satellites and sites where the mobile vans stop once a week), an overall reduction of 157 from last year
- Post Office Ltd made an operating loss of £99m, compared to a loss of £111m in 2005-06. Post Office Ltd receives £150 million from Government to offset losses on the rural network
- despite the 458 crown offices making up such a small proportion (3.22%) of the total estate, they were responsible for £70 million of the £99 million 2006/07 losses - compared to a £50 million loss in 2005-06

Postcomm's view is that Post Offices need:

- a clear vision and a combination of commercial products and services that can attract and retain new customers - for example, Post Office Ltd has run trials with Argos, where customers were able to collect online purchases from their local post office, and is working on other propositions
- more links with commercial partners who recognise and can benefit from Post Office Ltd's brand strength - for example, its joint venture with Bank of Ireland to sell financial services which is attracting 50,000 new customers every month
- stronger links with communities to identify ways in which they can work with Post Office Ltd and the Government to help sustain the provision of local postal services.



Postcomm would also like to see a debate about giving Post Office Ltd greater commercial freedom to seek new business and the possible merits of separating its retail business from the rest of Royal Mail. In the coming year, Postcomm will be looking at evidence to inform this debate in Government and with all those who care about the services and funding of the network for the longer term.

In May 2007, the Secretary of State announced the Government's decision on the future of the Post Office network, including the continuation of the rural subsidy until 2011. It is vital that during the local consultations on the network that are now underway – and in the longer term – people give their support and continue to use their post offices.

Useful links

- **www.psc.gov.uk** – Postcomm's website, for further information on all aspects of the mail market and full details of all of our reports and research on Post Offices
- **www.postoffice.co.uk** – website for Post Office Limited, setting out details of the range of products and services available via the network
- **www.royalmail.com** – Royal Mail's website
- **www.nfsp.org.uk** - National Federation of SubPostmasters, which represents the interests of subpostmasters
- **www.postwatch.co.uk** – website for Postwatch, the independent watchdog for customer services in the postal sector

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Postcomm is the independent regulator for postal services in the UK. This is one of a series of fact sheets designed to provide background information on key issues in the postal services sector. Contact us at 6 Hercules Road, London, SE1 7DB. **Tel** 020 7593 2100, **Email** info@psc.gov.uk

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