

Post Office

Key Facts

- There are around 11,700 post office branches in the UK, with the Post Office network is at its most stable for over 25 years.
- 93% of the national population (and over 99% in urban areas) live within one mile of their nearest post office branch.
- Around 18 million customers & a third of SMEs visit post offices every week.
- The Government has committed nearly £2 billion to maintain and modernise the Post Office. £1.34 billion in the 2010 Spending Review, & a further £640 million announced last week to cover the period 2015/16 to 2017/18.
- For 2013/14, Government is providing a subsidy of £200 million, and investing a further £215 million to secure the longer term financial sustainability of the network.
- Post Office Ltd was separated from Royal Mail in April 2012, and is an independent company. It has a long term commercial agreement with Royal Mail to provide access to Royal Mail services at post office branches.
- A recent independent report into Post Office's Horizon accounting system found there is "no evidence of system wide problems".

Top 5 Government Actions (since May 2010)

1. There will be no repeat of the closure programmes of the previous Government. We have committed to maintain a network of at least 11,500 branches, and to transform the network securing its sustainable future.
2. We are providing funding to modernise up to 8,000 post office branches by 2018. Two new operating models – "Main" and "Local" – will see improvements for customers. Over 2,250 subpostmasters have signed contracts to convert their branches. The BIS Committee concluded "the reforms are necessary" and "in the right direction".
3. We are ensuring where the post office is "the last shop in the community" it will continue to receive subsidy to ensure vital community services remain available. These branches also benefit from a £20 million investment fund.
4. The Post Office is making good progress on its ambition to provide more services on behalf of both national and local Government – for example it was recently awarded a new cross-government framework contract which runs to 2020. DVLA and HM Passport Office have already moved their services onto this contract and the Passport Office is discussing new in-branch services. The Department for Work and Pensions and Post Office are also discussing a long term successor to the Post Office Card Account. All options under consideration conclude that access to pensions and benefits across the post office network will continue beyond March 2015. The Government supports the Post Office in its front office ambition.
5. The Post Office is making good progress towards meeting its commitment to provide affordable and accessible financial services. In May 2013 it launched a current account pilot, with national rollout expected during 2014. Alongside this, the Post Office continues to offer an extensive range of savings, credit card and mortgage products.

Elephant trap

[If pressed about the relationship with Royal Mail]

- A long-term commercial agreement was agreed between Post Office Ltd and Royal Mail in January 2012. As the Chief Executive of Royal Mail said before Parliament, it is “unthinkable” that the two companies will not always work very closely together.
- The two businesses, which are now separate and independent, do complement each other, and there is an operational imperative for the two to continue to work closely together on a commercial basis that meets the needs of both.

[If pressed about Crown franchise proposals or strike action]

- Eliminating the significant losses incurred by the Crown post office network by March 2015 is a key element of the strategy to make the network sustainable in the long-term. As part of this strategy, Post Office Ltd is seeking retail partners to provide post office services in up to 70 branches, and the company is currently holding public consultations on the first of these proposals.
- The Government does not play any role in pay negotiations between Post Office Ltd and its staff. This is an operational matter between the company and its CWU-represented Crown office staff.

[If pressed about NFSP / subpostmaster pay negotiations]

- The Government does not play any role in pay negotiations between Post Office Ltd and the subpostmasters who provide access to its services. This is an operational matter for the company.

[If pressed about the progress of the Post Office Stakeholder Forum]

- The first phase of the work of this body has recently come to an end, and a range of public engagement activities have been taking place to solicit the views of stakeholders and the public in relation to public benefit purpose that has been proposed. The Government wants to see clear progress towards mutualisation made by the end of this Parliament

[If pressed about the Second Sight review into the Horizon system]

- The review explicitly confirms that there is “no evidence of system-wide problems with the Horizon software”. Horizon successfully handles six million customer transactions every day, and tens of billions since its national rollout in 1999.
- The interim report makes no comment about the safety or otherwise of any conviction of a subpostmaster for fraud, theft or false accounting.
- A review and mediation scheme has been established to address subpostmasters’ concerns in individual cases.