



Amicus response to the DTI Post Office Network Consultation - 2007

Introduction

1. **Amicus is the UK's second largest trade union with 1.2 million members across the private and public sectors. The Communication Managers Association (CMA) sector of Amicus, represents some 15,000 managers and professional staff within the Royal Mail Group, 2,000 of whom are working within Post Office Limited. The section also represents members in other postal operators such as Deutsche Post and the union's members are additionally users of the services provided by Post Office Ltd.**
2. Post Office Ltd is part of the Royal Mail Group, which is, in turn, a wholly publicly owned company, for which the Government is responsible for managing.
3. Amicus is pleased to respond to this consultation. We recognise the need to build a financially strong post office network and welcome the opportunity to contribute to the discussions.
4. We have identified key areas which the Government needs to address when looking at any decision to reduce public services in the way proposed.
 - The social function that post offices provide
 - The consequential need for local consultation
 - The need to increase the role of the Post Office
 - The environmental impact of Post Office closures
 - The increased traffic at larger Branch Offices

Viable Social Network

5. The Government fully recognises the social purpose of the post office network. It is part of the social fabric of the nation and yet the number of post offices is reducing at a rapid rate. Without campaigning pressure in the past 10 years the network would have reduced to about 3000 offices from the 18,000 strong network in 1996. The current number is around 14,300 and still declining from the 25,000 office network of the mid-1960s. The only way to prevent this is for the Government to provide appropriate business and financial support.
6. **Amicus has expressed our commitment to public services through our six 'public service values', namely: valuing public service users and staff, accountability, long-term commitment, universal access, an end to market madness and sustainability. These are explored further in a paper we published on *Valuing Public Services*¹.**

The Business Model

7. Since the removal of benefit and pension payments over the post office counter and Royal Mail's monopoly in the letters and parcels business, the Post Office counter network has been recognised to be a loss making organisation. Post Office counters only exist in its current form as a result of government support enabling the service to fulfil their role locally.
8. The Post Office network enjoys a reputation for providing a fair and trustworthy organisation to deal with. Although attempts were and are being made to capitalise on this and replace the custom enjoyed in the past by including bureau de change and the recent announcement of a deal with BT, this has not brought in anything like the business to the offices that was once enjoyed.
9. **Amicus believe that the dual expectations required of the Post Office, in making a profit and fulfilling its socio-economic function in the local**

¹ Valuing Public Services, Amicus 2007 available at <http://www.amicustheunion.org/pdf/Valuing-Public-Services.pdf>

communities are not irreconcilable, if further efforts are made to expand the range of services provided by post offices.

Access

10. It is recognised that all but two of the services provided by the Post Office network can now be obtained via other methods, including the use of the internet. Statistics on internet crime² have shown a marked increase in the number of attacks and the vulnerability of internet transactions. Although this methodology is a way of advertising the service provided by the Post Office and provides a potential alternative, it should not be viewed as a replacement service.
11. What people want is a variety of distribution channels including a viable Post Office network. Some of the major high street banks and building societies such as Barclays, Lloyds TSB, Alliance & Leicester & Nationwide Building Society³, have utilised the Post Office network, to justify the closures of rural bank branches. Although this has increased the number of customers using the Post Office, it has made their role all the more important locally.
12. The Post Office could easily become a shop front for more national and local government services. A more functional replacement product for the Post Office card account needs to be found to tackle the financial exclusion that these closures will cause. If this is run and operated through Post Office Ltd, it will improve and strengthen proposed access criteria so that this service genuinely meets the needs of local communities.

Social Exclusion

13. In addition, in light of the above, we believe that any closure should be raised with the local community it serves. The consultation document points out that 800 rural offices receive very infrequent use while 1600 receive 20 customers a day. These figures only paint a picture of foot traffic of those making transactions and do not necessarily reflect the social impact of such a facility.

² The United States Computer Emergency Readiness Team (US-CERT) (a partnership between the Department of Homeland Security and the public and private sectors). www.us-cert.gov

³ <http://www.parcelforce.com/portal/po/jump2?catId=19400181&mediaId=19100194>

The figures do not for example take into account the diversity of the customers using the Post Office or their access to alternatives especially in isolated communities.

14. The Rural Evidence Research Centre's report 'Rural England: Demographic Change and Projections 1991 – 2028'⁴ predicts a rapid growth of the retired and elderly population, especially in rural areas. The report shows an increase in the demographic of rural areas toward more elderly members of the population at the expense of more urban locations. It suggests that between 2003 and 2028 the population in areas where over 80% of the population is in rural communities would increase by 47.4% compared to a 27.2% increase in large urban areas in the over 50 age group. The report also predicts that in the over 80 age group, in that same period, the numbers are expected to expand by some 77% compared to the national average of just 11%.

Global Impact

15. From an environmental perspective there is every reason to keep rural offices open and this appears to have been overlooked. According to Government figures, 94% of people live within a mile of a post office⁵ enabling the majority of customers the ability to visit a post office without the need for road transport. The DTI, DEFRA, DfT and other government departments are committed to reduce emissions from the atmosphere, yet these proposals will remove a central hub resource creating the requirement for further road use. Based on conservative estimates and figures announced in the consultation, it has been calculated that approximately 8 metric tonnes⁶ of CO₂ or its equivalent will be released per additional kilometre per week if these closures go ahead. The provision of Outreach services may reduce the amount of travel further but, it needs to be remembered, that electrical generators, used

⁴ http://www.erc.ac.uk/findings/documents_demography/D9RuralEng_Ch_Projns1991_2028.pdf

⁵ Post Office Press release 13/02/07

⁶ Based on a six day week @ 20 transactions a week x 1600 plus 800 @ 16 = 204800 transactions. If 65% use public transport where it is provided or carry out their transactions when making the journey for other purposes, it will create over 70,000 additional journeys. Based on the Scottish Executive's study of car occupancy which suggested that the average car will carry 1.6 passengers this figure is reduced to 44800 journeys by car. The government emission figures for road transport would suggest that the average car emits approximately 185g of CO₂ or equivalent per km. This results in a figure of 8.288t of CO₂ e per additional km.

in vehicles and locations not connected to the mains supply, still produce a level of emissions far greater than that produced via the national grid.

Funding

16. The Government's commitment to provide £450 million to maintain the rural post office network and the establishment of a fund to maintain deprived urban post offices is strongly welcomed, but it would appear in light of this consultation that this may have been too little to late.

The Consequential Effect

17. Invariably, if transactions cannot be made locally, more will take place during lunch hours and outside the normal 9 to 5 working day at locations nearer the workplace. Post-watch have repeatedly raised concerns over queuing times at larger urban Branch offices with resources currently provided. It is clear that if there are less rural offices, the number of customers using larger offices will increase. If the customer is met with a long queue, the instinctive response is to turn around and find either an alternative time or alternative supplier of those services. As a consequence additional funding will be required to meet demands on staffing levels. Failure to do so will have the dual negative effects of lost custom at the branch in question and increased stress levels on counter staff and those managing them.
18. It needs to be remembered, that branch counter staff are in the front line in dealing with customers each day and the employer has a duty of care to ensure against stressful situations. Over worked staff at branch locations are under considerable pressure at peak times to deal with customers quickly and efficiently. Pressure is part and parcel of all work but excessive pressure can lead to stress, which undermines performance, is costly to employers and can make people ill.
19. **Amicus calls on the Government to ensure adequate funding and resources are made available at Branch offices to ensure that any additional demand on resources can be met and improve the level of service provided.**

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