

Business and Enterprise Committee

Select Committee Announcement

Committee Office,
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PUBLICATION OF REPORT

Post offices—securing their future

GOVERNMENT COMMITMENT NEEDED TO GIVE POST OFFICE NETWORK STRONG FUTURE, SAYS COMMITTEE

The Business and Enterprise Committee publishes its Eighth Report, *Post offices—securing their future* on 7 July 2009 at 00.01hrs.

The post office network has been losing both public and private business to other delivery channels, and this loss of business threatens its viability. The Report emphasises the value attached to the post office network by the public, identifies services that should be provided through it and calls in particular on all government departments to recognize its potential in delivering a range of services.

Commenting, Peter Luff, the Committee Chairman, said,

“Having looked in depth at the issues confronting the post office network we are convinced that, given sufficient political will from both central and local government and a real determination to sustain and develop a priceless national asset, there is no reason why the network cannot flourish again, serving the whole nation in a uniquely valuable way.”

The Committee has been monitoring the network over many years. The Government recognised its expertise and asked it to “to work with the Government to identify new services to help secure the long-term viability of the post office network”. The Committee agreed to do this, but insisted it would set its own terms of reference for the inquiry.

The Committee found no shortage of services the post office network could and should offer, dividing them into five categories: mail services, financial services, local government services, central government services and broader community services. It offers specific ideas for new services in these five areas.

The Committee believes that social exclusion and isolation can often best be countered by encouraging face-to-face services. It is, therefore, particularly critical of the proposal set out in the *Digital Britain* report for a Digital Switchover of Public Services, in which the internet would be the primary means of access to public services, rather than one of many. While the Committee wholeheartedly supports electronic delivery of public services, the Government must prevent social exclusion. The Report notes that 40% of households do not have access to the internet, and even those that have access may not wish to use it, particularly for financial transactions. Members of the public can be encouraged on-line—they should not be driven there.

To find out what people want from their post office network, the Committee involved as many people as possible in the inquiry, through a call for written evidence, an online web forum, several visits and oral evidence sessions. Public views underpin the Report throughout. Overwhelmingly, the public told the Committee that the post office network is a vital public service and must be maintained.

The local post office is trusted and loved, with many depending on it as a community hub. Closing a branch harms both local businesses that make extensive use of post office services and the community, which loses access to important public services.

The Committee has no doubt that the post office network should be used to provide access to significantly enhanced banking services. However, there are different models available to achieve this outcome and it had insufficient information to choose between them at this stage. The Committee says that the Government must act urgently to resolve this issue and that it should also act quickly to encourage negotiations between Post Office Ltd and individual banks to improve access to their services through the network; specifically, the Government should encourage those banks in which it has shares to make sure their accounts are widely available.

Local authorities offer a wide range of services through the post office network, and the Report notes that some are taking a commendable lead in sustaining the network directly. However, the Committee believes more could be done to benefit both sides, and urges Post Office Ltd to take the lead in developing services which can be easily accessed by local authorities.

The Report also concludes that the Government has underestimated the potential of the network to serve as a link between government and its citizens. Although some departments are seizing the opportunity a truly national network offers to allow easy access to their services, many departments are woefully unimaginative about the needs of their customers. The network has declined over the last decades because government business has transferred to cheaper channels.

If the post office network is to continue in its present form, it needs to be useful to its customers—including the public, businesses and the Government—and profitable both for Post Office Ltd and for its private sector partners. The Committee criticised the fact that many postmasters earned less than minimum wage: “when the state provides services directly, it pays its workers at least the minimum wage. Post Office Ltd, a state-owned company, should ensure it treats its subpostmasters and Outreach operators no less fairly”. Also, the Committee warned that post offices must be efficient and well run, and that expansion of government services through the network must be accompanied by efforts to ensure that Post Office Ltd itself does not become complacent and inefficient.

The Report concludes:

“The Post Office has been used to provide public services and private services in partnership for nearly four centuries; the Committee has no doubt that with will and imagination, and whole-hearted government support, it can continue to do so.”

Peter Luff, Chairman of the Committee said:

“People have a right to get government services in the way that suits them. The Government’s support of £150m per year is welcome, but it is absurd to be paying this each year to support a post office network which offers limited services when it could simply pay the network to offer services people actually want. This Report will, I hope, be welcomed by ministers responsible for postal issues who, I am confident, know what is needed; they must now make sure that all departments are signed up to a vision for the future of this vital national asset.

“The passions the Network Change programme provoked showed that communities value their post offices— now it is time for politicians to step up to the mark and give post offices their wholehearted practical support.

“We conclude that post offices can flourish again—and must be allowed to do so. Our Report shows— in considerable detail—what needs to be done.”

ENDS

For any media inquiries call Laura Humble, Select Committee Media Officer, on 0207 2192003/ 07917 488489.

Any witness or member of the press wishing to receive an electronic copy should send their email address to becom@parliament.uk. Further copies may be purchased from the Stationery Office (inquiries 0870 600 5522). The full text will also be available on the Committee’s website on the day of publication.

Further Information:**The Committee membership is as follows:**

Chairman: Peter Luff MP (Con) (Mid Worcestershire)

Mr Adrian Bailey (Lab) (West Bromwich West)

Mr Brian Binley (Con) (Northampton South)

Mr Lindsay Hoyle (Lab) (Chorley)

Anne Moffat (Lab) (East Lothian)

Mr Lembit Opik (Lib Dem) (Montgomeryshire)

Roger Berry (Lab) (Kingswood)

Mr Michael Clapham (Lab) (Barnsley West and Penistone)

Miss Julie Kirkbride (Con) (Bromsgrove)

Mark Oaten (Lib Dem) (Winchester)

Mr Anthony Wright (Lab) (Great Yarmouth)

Media Enquiries: Laura Humble, Tel 0207 219 2003/ 07917 488 489, email: humblel@parliament.uk

Specific Committee Information: Tel 020 7219 5777, email: becom@parliament.uk