



Department
for Business
Innovation & Skills

BIS PERFORMANCE INDICATORS

Meeting the government's
commitment to maintaining
access to the Post Office
network

OCTOBER 2014

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Why is this indicator important?

The government fully recognises the important social and economic role that post offices play in communities across the country. There are over 11,500 branches, providing local and convenient access to around 18 million customers a week in line with the government's access criteria. The Post Office offers access to over 170 different products and services, including many that are of vital importance to the most vulnerable members of society. In many rural communities the post office is the only retail outlet.

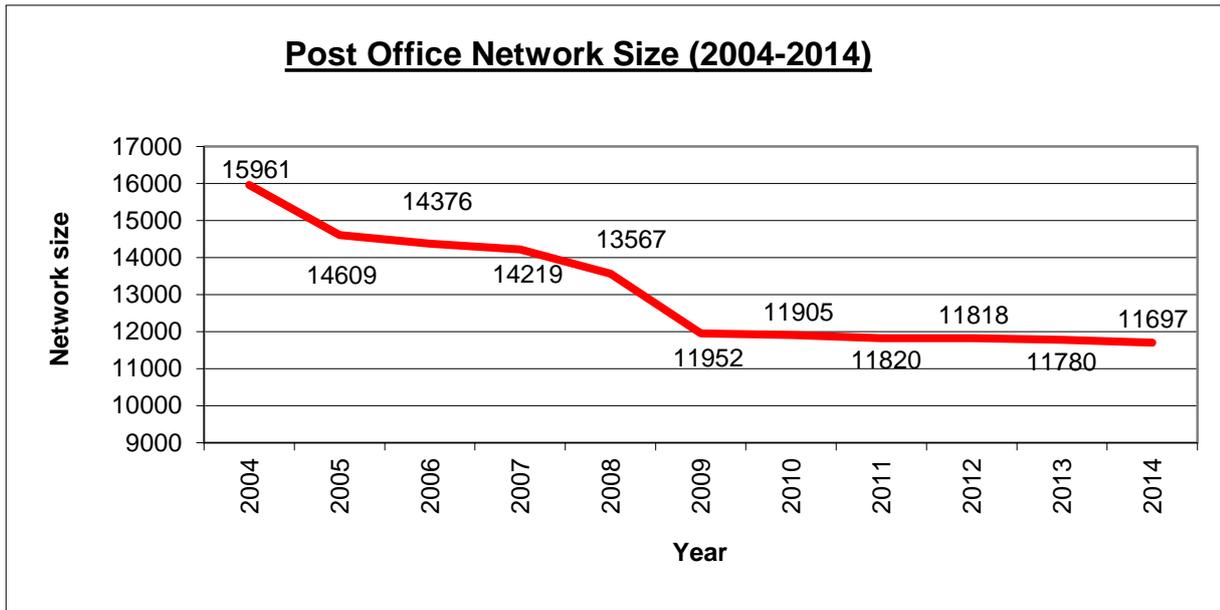
In October 2010, the Government committed £1.34bn of funding covering the period to March 2015 to modernise the Post Office network and secure its long-term sustainable future. In return, Post Office Ltd – which is responsible for the operation of the Post Office network – has committed to maintaining a network of at least 11,500 branches, and to continue to adhere to the government's strict access criteria that ensure fair and reasonable access to post offices regardless of locale. In November 2013, the Government announced a further £640m funding covering the period from April 2015 to March 2018. This funding is subject to European Commission State Aid approval.

Post Office Ltd makes quarterly reports on the size of the network available to the Department for Business; Citizens Advice Bureau (which now undertakes the role formerly performed by Consumer Futures); and to Parliament. Since July 2012 the Post Office has published annual reports about its network, as required of it under section 11 of the Postal Services Act 2011.

This indicator is important to ensure that the public money that has been committed to maintain the size of the Post Office network, and government requirements around access to it are being properly met.

How are we performing?

Currently, Post Office Ltd is comfortably exceeding its target of a network of at least 11,500 branches (as shown below). The company is also compliant with the six access criteria, which can be independently verified by Citizens Advice.



Accessibility Performance Target criteria	Performance (end March 2014)	Performance (end March 2013)	Performance (end March 2012)	Performance (end March 2011)
99% of the total national population within 3 miles of a post office outlet	99.7%	99.7%	99.7%	99.7%
90% of the total national population within 1 mile of a post office outlet	93.0%	93.0%	93.1%	93.1%
99% of the total Urban Deprived population within 1 mile of a post office outlet	99.8%	99.8%	99.8%	99.8%
95% of the total Urban population within 1 mile of a post office outlet	99.1%	99.0%	99.1%	99.1%
95% of the total Rural population within 3 miles	99.1%	99.1%	99.1%	99.2%

What will influence this indicator?

As of March 2014, only 350 (3%) of existing post offices are directly operated by Post Office Ltd. The vast majority (97%) of the network is operated by private individuals known as subpostmasters who provide access to Post Office services under a contract with Post Office Ltd. Where a subpostmaster chooses to terminate their contract (for example, due to retirement plans) the Post Office will seek a replacement subpostmaster to continue to provide access to Post Office services. However, in some cases, particularly in rural communities, this process can take some time, and may result in the branch being 'temporarily closed'. Where this occurs the temporarily closed post office is not included in the network numbers, because it is not operational.

It is worth noting the interplay with the access criteria. In some areas, a temporarily closed post office could cause Post Office Ltd to fail to meet its access criteria targets. Where this is the case the government would require Post Office Ltd to seek to provide alternative access to services as quickly as possible.

In autumn 2012, Post Office Ltd began a modernisation programme known as Network Transformation that is seeing the introduction of new Post Office operating models across the network. In some locations branches are physically moving to a nearby location, but it is important to note that there will be no permanent branch closures under this programme, and the new models offer benefits to both customers and subpostmasters. The option of introducing the new operating models will help the Post Office to maintain network of at least 11,500 branches. It is not expected that Network Transformation will negatively impact compliance with the access criteria. As of March 2014, just over 2,000 branches had been modernised.

Indicator definition

Definitions of urban, rural and urban deprived:

- Urban: a community with 10,000 or more inhabitants in a continuous built up area
- Rural: a community not covered by the definition of urban above
- Urban deprived: the most disadvantaged urban parts of the region.

Performance against the Government access criteria is measured by splitting the national population according to [census output areas](#)¹. Accessibility is calculated by measuring the distance of the population weighted centre of the output area to its nearest Post Office access point.

Total national accessibility is calculated by adding the total population of each of the census output areas deemed to meet the criterion divided by the total population as a whole expressed as a percentage.

¹ <http://www.ons.gov.uk/ons/guide-method/census/census-2001/data-and-products/output-geography/output-areas/index.html>

What is BIS's role?

The Shareholder Executive in BIS manages the government's shareholding Post Office Ltd, which became an operationally independent company in March 2012.

Further Information

Further information on the performance of Post Office Ltd is available in the [Post Office Network report](#)², and in the [Post Office Ltd annual report and financial statements](#)³.

Related indicators

None

Status

Last updated: October 2014

² http://corporate.postoffice.co.uk/sites/default/files/network%20report_2014.pdf

³ <http://media.postoffice.co.uk/News-Releases/Post-Office-Annual-Report-Statement-2013-2014-105.aspx>

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Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

If you require this publication in an alternative format, email enquiries@bis.gsi.gov.uk, or call 020 7215 5000.