

The post office network is at a crunch point - investment is needed to ensure their survival

The government relies on post offices to stop communities being cut off

The post office network is one of the largest remaining networks of physical infrastructure that can deliver face to face services to local communities.

There are around **5,000 post offices that rely on government funding to stay open***. This includes around 2,500 serving communities that would otherwise have no shops left.

Post offices remain critical in 2020:

- **1 in 3 bank branches have closed** since 2010, shops are struggling to stay open and rural bus services are patchy. **The number of people using post office banking has doubled in the last 3 years.**
- More essential services are moving online, but **a significant number of people still rely on post offices to withdraw benefits, pay bills,** and access government services.
- **£2.5 billion** is spent on average each week online, and **63% of returns are sent at a post office.**

Post offices could deliver even greater social value to their communities

During the pandemic sub-postmasters have delivered post office services to people's homes, delivered groceries to those having to self isolate, acted as collection points for medicines, and helped out food banks, the NHS and local businesses.

This social role should not only be protected but increased. **Post offices could play an even greater role - by solving the biggest postal problem people in the UK face.**

Right now, homeless people and other people in precarious living situations are trapped in a catch-22 - they can't get back on their feet because they don't have an address and they can't receive letters. This stops people from accessing essential support services and seeking out employment.

With adequate funding, post offices could help solve this problem - by providing an 'Address & Collect' service to the people in their communities who don't have a secure address.

But the cracks are showing in the post office network

Since 2013, the number of temporarily closed post offices has doubled. These closures are often far from temporary:

- **2 in 3 stay closed for over a year**
- **2 in 5 stay closed for over 2 years**

Rural areas, parts of the north of England, Scotland and Wales have been hit the hardest by these closures. **In Yorkshire, 1 in 10 post offices are 'temporarily' closed.**

Many rural areas are now reliant on post office outreach services, including mobile post offices operating from a van. In the last 10 years, the number of outreach services has more than doubled.



This leaves rural communities an average of just 7 hours of post office access per week.

Many communities are now left with patchy access to basic banking, bill payment and government services, as well as limited options for parcel collection and delivery.

Left alone, the cracks in the post office network will widen.

The worrying cracks in the post office network are underpinned by concerns about its sustainability.

The income from running a post office in certain areas of the country is not enough to allow current sub-postmasters to continue running their service, nor is it enough to attract new sub-postmasters when a branch closes.

Furthermore, the current funding for community post offices is not enough to deliver outreach services that are reliable or open for more than a few hours a week.

The recent BEIS select committee inquiry into the future of the post office network also highlighted the risks if large retailers that host post offices, such as WHSmith, were no longer able to operate.

The economic shock of coronavirus brings these issues into sharper focus, with many retailers announcing significant job cuts, store closures or even entering administration.

The post office network is capable of delivering significant social and economic value, but this is only possible if it has the necessary funding to do so.

* National Federation of SubPostmasters, [Post Offices: A support mechanism for 300,000 vulnerable people](#), 2020.

The government should invest in post offices at the upcoming spending review to fix the cracks in the network and allow them to deliver greater social value.

In the upcoming spending review, the government faces a choice: allow post offices to thrive or lead them into a managed decline.

Removing or reducing the post office subsidy would have a devastating impact on local communities and small businesses at a time when they're trying to recover from the economic shock of coronavirus. At a very minimum, the government should commit to maintaining the current level of subsidy it provides to post offices.

Given that temporary closures are increasing, outreaches aren't meeting consumers' needs, and the severe impact of the coronavirus pandemic, the government should not only maintain the subsidy it provides, but increase it. This would allow Post Office Limited to fix the widening cracks in the network and deliver meaningful social value to local communities.

