

Debate Pack

Number

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Effect of post office closures on local communities

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Post office closures

The Post Office Ltd provides a range of products and services to the public through its network of post office branches. As well as postal services, post offices offer access to banking services and cash, and certain government services. Most people use post offices.¹

The Post Office separated from Royal Mail, the universal service provider for post, in 2012. However, Royal Mail services continue to be available through the Post Office.

The Post Office is owned by the government, through the Department for Business, Energy and Industrial Strategy (BEIS) and UK Government Investments (UKGI), however the Post Office Ltd Board has responsibility for the operations of the Post Office.

The Post Office Ltd Board remains accountable to the government for the performance of the Post Office. They must also maintain at least 11,500 branches which are subject to access requirements as described below.

In November 2020, the government also announced £227 million funding for the Post Office for 2021/22. This includes a £50 million network subsidy payment which is designed to cover the operating costs of the network and to maintain branches which are not profitable – the same level of subsidy as in the previous two years. £177 million is to invest in the future of the network.²

More information about funding for the Post Office Network over the last few years can be found in the Library briefing paper [The Post Office](#).

1.1

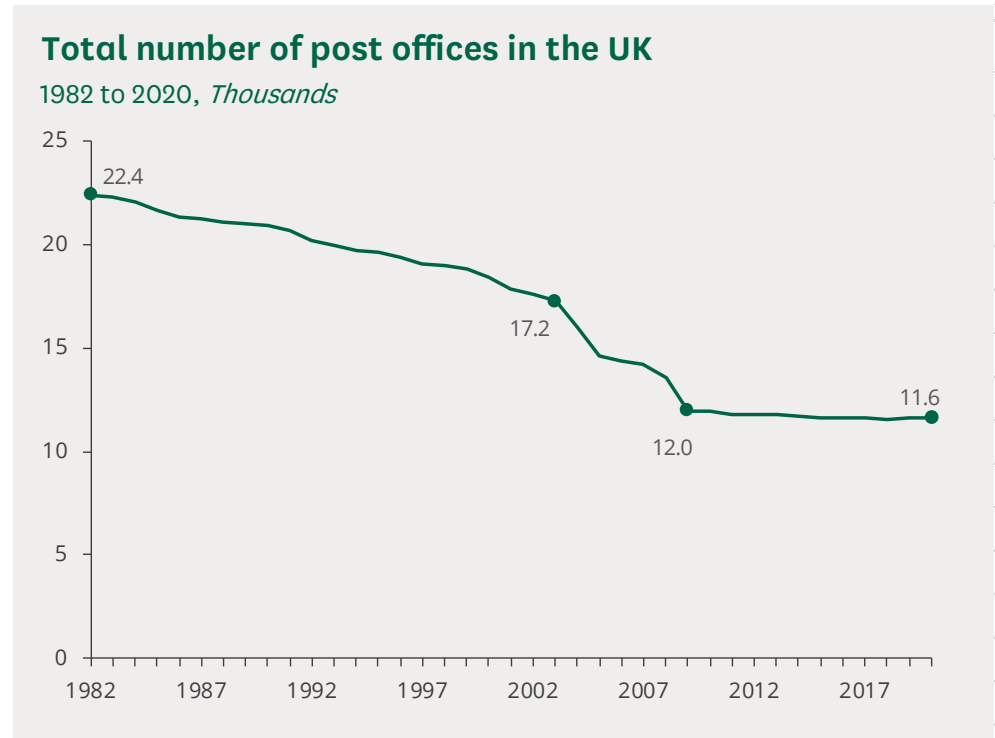
Post office numbers

The number of post offices has been relatively stable since 2009, although the overall network size has declined since the 1980s. At the end of March 2020, the post office network had 11,638 branches.³

¹ Citizens Advice, [Consumer Use of Post Offices](#), 2017

² Post Office Ltd, [Post Office welcomes £227 million funding from Government](#), 26 Nov 2020

³ Post Office Ltd, [Post Office Network Report](#), March 2020



Source: Post Office Ltd

Notes: Care should be taken in interpreting the data given discontinuities in the data in the period 2005-2007 (see appendix).

1.2

Access criteria

The size and geography of the post office network is determined by the 'post office access criteria'. The criteria are set by the government. The current access criteria requires the Post Office to meet the following conditions:

- 99% of the UK population to be within three miles of their nearest post office outlet;
- 90% of the UK population to be within one mile of their nearest post office outlet;
- 99% of the total population in deprived urban areas across the UK to be within one mile of their nearest post office outlet;
- 95% of the total urban population across the UK to be within one mile of their nearest post office outlet;
- 95% of the total rural population across the UK to be within three miles of their nearest post office outlet;

- 95% of the population of every postcode district to be within six miles of their nearest post office outlet.⁴

At the end of March 2020, the Post Office met five of six of its access criteria. It missed the target for the number of postcode districts in which 95% of the population are within six miles of their nearest post office. This criterion is intended to ensure a minimum level of access for customers living in remote rural areas. There were seven postcode districts where this was not met.⁵

1.3 Post Offices by type

Post office branches operate under different contract types. There are three main types of post office:

- Crown post office branches: those post offices that are directly managed by Post Office Ltd.
- Agency post office branches: post offices owned and managed by either an independent postmaster or a larger franchise partner (for example WH Smith or the Co-operative).⁶
- Outreach services: typically small part-time branches that may use a village hall or mobile van to provide post office services to communities that might not otherwise receive them.

More information regarding these post office contract types can be found in the Library briefing paper [The Post Office](#).

Trend in post offices by branch type

At the end of March 2020, there were

- 9,812 agency branches, 84% of the network.
- 1,700 outreach services, 15% of the total network.
- 126 Crown branches, 1% of the post office network.

The past decade has seen a fall in Crown post offices, which are directly managed by the Post Office. There has been a reduction in the number of the more traditional agency branches and a substantial rise in the number of outreach services.

⁴ Department for Business Innovation & Skills, "[Securing the Post Office Network in the Digital Age](#)" November 2010, The first five criteria were originally implemented in 2007, while the last was added in 2010 to safeguard customers in remote rural areas.

⁵ Post Office Ltd, [Post Office Network Report](#), March 2020

⁶ There are multiple types of agency branch. Further details about the different types of post office branch can be found in the Library briefing [The Post Office](#).

Number of post offices by contract type 2010 to 2020				
	Crown	Agency	Outreach	Total
2010	373	10,599	933	11,905
2011	373	10,468	979	11,820
2012	373	10,428	1,017	11,818
2013	373	10,342	1,065	11,780
2014	350	10,255	1,091	11,696
2015	326	10,172	1,136	11,634
2016	315	10,062	1,266	11,643
2017	285	9,935	1,439	11,659
2018	262	9,768	1,517	11,547
2019	191	9,814	1,633	11,638
2020	126	9,812	1,700	11,638

Notes: Data is for March in each year

Source: Post Office Ltd, Network Reports

Crown post offices

In recent years, many Crown post offices, the post offices run directly by the Post Office Ltd, have been franchised so that they are run by partners such as WHSmith (post offices are found in over 200 WHSmith stores)⁷. However, the BEIS committee has highlighted the risks associated with hosting post officers in large retailers, such as WHSmith, should they no longer be able to operate.⁸

The government has declared franchised branches the preferred business model of the Post Office “as it delivers significant cost savings without impacting service provision for local communities. Franchising enables longer opening hours, increased convenience, and greater accessibility for communities.”⁹ Most post offices are already run by subpostmasters and others in the private sector.

In an attempt to preserve Crown post offices, The Communication Workers Union (CWU) agreed a moratorium with the post office in July 2021 stopping any closures or franchises for the rest of 2021. However, they remain concerned that closures or further franchising will continue in 2022.¹⁰

⁷ WHSmith PLC, [Post Office Limited](#)

⁸ Business Energy and Industrial Strategy Committee [Future of the Post Office Network](#), 22 October 2019

⁹ [PQ167955](#), 12 March 2021

¹⁰ Communication Workers Union, [Union wins ‘vital breathing space’ in fight to save Crown Post Office network](#), 16 July 2021

Agency post offices

Most Agency post offices were transformed into either ‘Local’ and ‘Main’ branches through The Network Transformation Programme, which was a major investment in, and a large scale restructuring of, the post office network, over much of the last decade.

Main and Local branches are integrated into retail outlets. Main branches are larger than Locals and offer a wider range of services.

As of March 2020, there were 3,404 Main branches, 4,134 Local branches and 2,274 traditional branches.¹¹

Outreach post offices

There has been a significant rise in the number of outreach services since 2000. There were 52 outreach services in the year 2000 representing less than 1% of the total post office network at the time. By 2009 there were more than double the number of outreach services than Crown branches. Outreach services now number 1,700 as of March 2020, 15% of the total network.¹²

The Post Office state that their mobile post office vehicles currently visit over 250 locations every week in rural locations across the UK, at set times and on certain days to ensure people are aware of when they can access services.¹³

In their 2019 report, [Future of the Post Office Network](#), the Business, Energy and Industrial Strategy (BEIS) committee noted that outreach post offices tend to be part time and do not provide the same level of service as permanent branches.

However, the government say that outreach post offices provide the same products and services as bricks-and-mortar branches, while enabling the access criteria to be met in rural areas.¹⁴

Outreach services rose from 1% of the total post office network in 2000 to 15% in March 2020.

¹¹ [Post Office network report 2020](#)

¹² See the Library briefing [Post office numbers](#)

¹³ Post Office Corporate, [Our Network](#), [last accessed 09/09/21]

¹⁴ [PQ698](#), 21 May 2021

1.4 Temporary closures

There are more temporary post office closures and many are for long periods

Individual post offices sometimes close temporarily, for example if a subpostmaster retires and another is being found. Closure and access concerns have been raised by MPs across the political spectrum, along with Citizens Advice, who state that the number of temporarily closed post offices has doubled since 2013, with 2 in 3 remaining closed for over a year and 2 in 5 staying closed for over 2 years.¹⁵

Effect of Covid-19

The Covid-19 pandemic has added to closure concerns. On the 23 March 2020 the government announced strict curbs on businesses due to the coronavirus pandemic. Post offices were one of the few outlets permitted to remain open during periods of lockdown.

Despite this, data shows that the number of open post offices fell by 651 (6%) from March to April 2020. The largest fall was seen by outreach branches, with 388 (23%) fewer branches open in April than in March 2020. The number of open agency branches fell by 254 (3%) whilst the number of crown branches fell by 9 (7%).¹⁶

The BBC reported that 260 post offices that closed due to Covid-19 had not reopened by the time restrictions were lifted in June 2021.¹⁷

Government response

In response to these concerns, the government has stressed that temporarily closed branches are not counted within the post office numbers, meaning the access criteria requirement is maintained.

They say that the “reasons for a temporary closure of a branch are normally outside the control of Post Office Ltd, such as postmasters retiring, but whenever Post Office Ltd need to relocate a branch the Government believes they work hard to restore service to the community as soon as possible and consult with local communities as set out in the principles of community engagement agreed with Citizens Advice”.^{18 19}

¹⁵ Citizens Advice, [The post office network is at a crunch point - investment is needed to ensure their survival](#), [last accessed 09/09/21]

¹⁶ House of Commons Library, [Post Office Numbers](#), February 2021

¹⁷ BBC, [Covid: More than 250 Post Office branches remain closed](#), 1 September 2021

¹⁸ Business Energy and Industrial Strategy Committee, [Government Response to the Committee's First Report of Session 2019](#), March 2020

¹⁹ [PQ168978](#), 23 March 2021

1.5

Scottish Spar post offices closures

In June 2021, Spar Scotland announced the decision to close 31 out of 48 of its post office counters. Many have been closed already and the remaining are due to shut by mid-November.²⁰

Spar Scotland's chief executive stated the move to replace the loss-making post offices with an expanded food to go offering was necessary to ensure the stores continued to operate.²¹

The move has been criticised by local people, councillors and MSPs who have stated that the closures could be “catastrophic” for some communities.²² MSP Colin Smyth has urged the Post Office to try and find an alternative home for branches that close.²³

²⁰ Citizens Advice, [Post Office - News October](#)

²¹ The Courier, [Spar shop managers welcome Post Office closure decisions, says company boss](#), 24 September 2021

²² The Press and Journal, [Shop boss slammed after claiming Post Office closures 'best decision for many years'](#), 27 September 2021

²³ BBC, [Dozens of Spar Stores to end Post Office service](#), 9 June 2021

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Press articles

[Decision to axe Post Office branches “best decision in many years”, says C.J Lang](#)

betterRetailing.com
23 September 2021

[EXCLUSIVE: Post Office crisis after shops hit by coronavirus cut opening hours and some stay closed](#)

The Mirror
21 September 2021

[Post Office asks banks for £200m more in new deal for their customers to access cash](#)

The Times
20 September 2020

[Retailer accused of putting ‘greed before need’ over plans for shut Post Offices](#)

The Press and Journal
20 September 2021

[Post Office to handle packages for Amazon](#)

The Times
13 September 2021

[Fears elderly isolated as Post Office branches fail to reopen after Covid lockdowns](#)

The Telegraph
2 September 2021

[Covid: More than 250 Post Office branches remain closed](#)

BBC
31 August 2021

[Post Office struggles to recover from a bruising scandal](#)

Financial Times
23 August 2021

[Post office closures: Permanent branches halve over north and north-east in last 20 years](#)

The Press and Journal
15 August 2021

[31 Post Offices closing as part of convenience store shake up – see the full list](#)

The Mirror
10 June 2021

[Dozens of Spar stores to end Post Office service](#)

BBC

9 June 2021

There are also various articles relating to individual post office closures, for example:

[Pop-up Post Office coming to Kings Bromley](#)

Staffordshire Live

1 October 2021

[Woodburn Post Office closure date confirmed](#)

Midlothian Advertiser

29 September 2021

[Fears Northallerton post office is slowly shutting](#)

The Northern Echo

26 September 2021

[Newport community 'up in arms' as date is announced for Post Office closure](#)

The Courier

18 September 2021

[Sudden closure of Enniskillen Post Office branded 'an absolute disgrace'](#)

BelfastLive

9 September 2021

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Press releases

[Post Office card accounts closure extended until November 2022](#)

Department for Work and Pensions

9 September 2021

[Post Office partners with DPD to roll-out 'Click and Collect' services across the UK](#)

Post Office Corporate

16 August 2021

4 Parliamentary material

4.1 Written questions

[Post Office: Access](#) Question for Department for Business, Energy and Industrial Strategy, UIN 49173

Asked by Marion Fellows on 14 September 2021

To ask the Secretary of State for Business, Energy and Industrial Strategy, what progress his Department has made on meeting Post Office Access Criteria that (a) 90 per cent of the population are within one mile of the nearest Post Office branch and (b) 99 per cent of the population are within three miles of the nearest Post Office branch.

Answered by Paul Scully on 21 September 2021

POL operates the largest and most dispersed retail network in the UK, with more than 11,500 branches offering a portfolio of services across: mails & parcels, cash & banking, financial services, identity and telecoms markets.

Apart from during the pandemic when agreed waivers were in place, since 2013/14 Post Office has consistently met the access criteria and remains committed to meeting the access criteria and minimum branch numbers.

[Post Office: Pay](#) Question for Department for Business, Energy and Industrial Strategy, UIN 49133

Asked by Chi Onwurah on 14 September 2021

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps he is taking to help protect the income of postmasters under the pay structure of the new Mails Distribution Agreement, due to come into effect on 1 April 2022.

Answered by Paul Scully on 20 September 2021

Helping to protect the income of Postmasters is important to the department and we welcome the improvements outlined in the Mails Distribution Agreement (MDA).

The improvements will mean that whenever Royal Mail put up customer prices, Postmasters will see the benefit – with interim tariff payments for price increases earlier this year already being paid to Postmasters.

[Social Security Benefits and State Retirement Pensions: Post Office Card Account](#) Question for Department for Work and Pensions, UIN 49174

Asked by Marion Fellows on 14 September 2021

To ask the Secretary of State for Work and Pensions, how many people in receipt of (a) benefits and (b) state pension who have not registered a bank account with her Department still receive payments through a Post Office card account.

Answered by Guy Opperman on 20 September

As of August 2021 there were less than 350k active Post Office Card Accounts. This is down from 1 million in 2019.

The exact number of Post Office card account customers in receipt of a) benefit and b) State Pension is not available for a variety of reasons.

[Post Office: Closures](#) Question for Department for Business, Energy and Industrial Strategy, UIN 45853

Asked by Justin Madders on 9 September 2021

To ask the Secretary of State for Business, Energy and Industrial Strategy, if he will publish the postcodes of the 260 post office branches which were listed as closed as of 30 June 2021.

Answered by Paul Scully on 16 September 2021

BEIS does not hold information on specific postcodes of post office branch closures.

A list of open post office branches can be found in the post office network report: [https://corporate.postoffice.co.uk/secure-corporate/our-network/post-office-network-reports/#\(opens in a new tab\)](https://corporate.postoffice.co.uk/secure-corporate/our-network/post-office-network-reports/#(opens%20in%20a%20new%20tab)).

[Post Offices](#) Question for Department for Business, Energy and Industrial Strategy, UIN 44381

Asked by Ronnie Cowan on 7 September 2021

To ask the Secretary of State for Business, Energy and Industrial Strategy, what (a) steps his Department is taking to ensure effective provision of post office services across the UK and (b) funding his Department has provided to support that provision in each of the last five years.

Answered by Paul Scully on 15 September 2021

The Government protects the branch network by setting minimum access criteria and protects services by setting minimum services to be provided at post offices across the UK. These criteria ensure that 90% of the population are within one mile of the nearest post office branch and that 99% of the population are within three miles of the nearest post office branch.

The Government invested £640 million in the Post Office between 2015 and 2018, £370 million from 2018 to 2021 and £227 million in 2021/22. This funding allows Post Office Ltd to safeguard services in the uncommercial parts of the network and invest for the future.

[Post Offices: Rural Areas](#) Question for Department for Business, Energy and Industrial Strategy, UIN 38457

Asked by Beth Winter on 22 July 2021

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps his Department is taking to prevent rural post office closures.

Answered by Paul Scully on 9 September 2021

The Government is committed to ensuring that everyone in the country can access essential services via the Post Office conveniently and locally. The Government continues to safeguard the Post Office network and protect existing rural services through the access criteria that Government sets.

4.2

Debates

[Post Office Counter Services in North East Fife](#)

Volume 699: debated on Wednesday 21 July 2021

[Post Office Network](#)

Volume 673: debated on Tuesday 10 March 2020

[Post Office Network](#)

Volume 658: debated on Thursday 25 April 2019

[Community and Sub-Post Offices](#)

Volume 657: debated on Wednesday 27 March 2019

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Further Reading

[Post Office 2025](#), Post Office Ltd, 8 April 2021

[Post office numbers](#), House of Commons Library Briefing Paper, 12 February 2021

[Future of the Post Office Network: Government Response to the Committee's First Report of Session 2019](#), 2 June 2020

[Future of the Post Office Network](#), Business, Energy and Industrial Strategy Committee, 22 October 2019

[The Post Office](#), House of Commons Library Briefing Paper, 12 April 2019

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