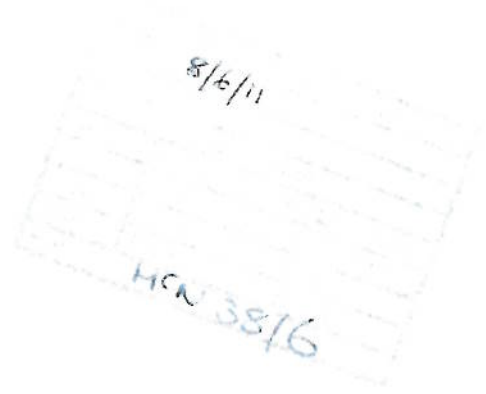


06 June 2011

Mr Peter McNaney
Chief Executive Officer
Belfast City Council
Adelaide Exchange
24 -26 Adelaide Street
Belfast
BT2 8GD



Dear Mr McNaney,

'PO Local' - Future Developments in the Post Office Network in Northern Ireland

I am writing to advise you of proposals for the development of the post office network, and in particular plans for the roll-out of a new 'PO Local' format for the delivery of post office services, which is likely to become the standard format in many communities across Northern Ireland in the years to come.

Consumer Focus has been carrying out research into the operation of this format, 'PO Local' and our findings based on a study of consumer reaction to the pilots across the United Kingdom, including 4 branches in Northern Ireland, are contained in the attached report, 'Local but limited? - Will Post Office Locals meet consumers' needs?'

Whilst post and post offices are reserved matters for the Westminster government, we know that the future prospects of the post office network are of intense interest at all political levels in Northern Ireland, so we are sending this letter with enclosure to all MPs, MLAs and local councils to ensure the widest coverage of our thinking on 'PO Local'.

The UK government's broad strategy on the post office network was set out in the BIS Ministerial policy statement 'Securing the Future of the Post Office Network in the Digital Age' published in November last year.

The key elements of the strategy are:

- A commitment to maintain the branch network at broadly its current level with no major closure programmes
- A commitment to give the post office network a new role as a 'front office' for government, providing access to government services and information
- A subsidy to support the network of £1.34b up to 2014
- A programme to modernise 4,000 larger 'main' branches across the UK
- A conversion programme of 2,000 traditional branches to the 'PO Local' format (the subject of our research report), with the main roll-out from 2014 onwards

The 'PO Local' format is a low-cost model where post office services are provided through an existing business, side by side with that business and usually from the same counter. The post office and host business operate off the same cash float, thereby reducing financial costs associated with transporting cash. There is no sub-postmaster as such, and remuneration is on a transaction basis without an annual fee payment to a sub-postmaster.

There are likely to be a number of benefits arising from this format including, in many cases, longer opening hours and, hopefully a more stable network. However, as our report explains there are also a number of disadvantages in the model, as constructed at present, including:

- Less experienced counter staff
- Some reduction in the range of services offered, compared to traditional sub-post offices
- A reduction in privacy resulting from the joint counter

Perhaps the most important issue to be aware of is the fact that this migration from the traditional to the 'PO Local' format will entail, in many cases, a move to new premises at a different location. This will cause some disruption and inconvenience for the communities affected.

Consumer Focus has been invited to contribute to a stakeholder group overseeing the development of the model prior to the main roll-out in 2014. We will be insisting on improvements to the format along the lines outlined in the attached report. We will also be insisting on comprehensive and meaningful public consultation with all the communities affected by the changes, and involving political and other key stakeholder representatives.

You should also be aware that Post Office Limited intend to introduce the 'PO Local' model in Northern Ireland on an opportunistic basis between now and 2014, where it appears to them to be a suitable replacement in some instances where the sub-postmaster of a traditional branch wishes to leave the business.

If you would like a personal briefing on this issue from us, or indeed on any postal or post office issue, such as the likely impact in Northern Ireland of the Postal Services Bill now going through Parliament, please do not hesitate to contact our Head of Postal Policy, Chris Thirkettle on 028 9067 5041, or by email: chris.thirkettle@consumerfocus.org.uk.

Yours sincerely,



Rick Hill
Chair, Consumer Focus Post