

DEPUTATION FOUR – ROLE OF POST OFFICES

THE LORD MAYOR: Good afternoon and welcome to today's Council meeting. Please now make your speech to Council, which should not be longer than five minutes, and please begin by introducing your speaker.

MR M SINGH: This is Peter Exley, my name is Mindi Singh. I am the Secretary of the National Federation of Sub-Postmasters Centre Yorkshire Branch. I represent the Sub-Postmasters in this area. My Deputation is on the future of the Post Offices with the privatisation of the Royal Mail.

Sale of Royal Mail took place on 15 October. This valued the organisation at around £3.3b. Shares rocketed shortly after trading was allowed, suggesting the actual value of the Royal Mail is worth £5b.

Sub-postmasters are reliant on Royal Mail for much of their income – on average one third the postmasters' income is derived from transacting services on behalf of Royal Mail, such as selling stamps and accepting parcels. The amount sub-postmasters receive for individual transactions has reduced even under the nationalised Royal Mail. Private companies, especially large private companies, can exercise their economic powers over contractors in order to decrease their costs, which benefits their shareholders but may be detrimental of their contractors.

Sub-postmasters are worried that their income will fall further, making life much more difficult for them to continue in operation. Sub-postmasters are already experiencing falling incomes, with an average drop in pay of 36% over the last six years. As a result, many feel they are currently operating on the very edge of viability. If correct, the ability of Post Offices to provide employment and local services may be significantly reduced.

The Chief Executive of Royal Mail has stated it "unthinkable" there would not be a strong commercial relationship between the companies. However, this does not make clear whether this relationship would continue to be the same, including whether the Post Office will remain a central and single hub for many Royal Mail products.

Many sub-postmasters feel that, whilst no plans may currently exist, the Royal Mail now has the freedom to reduce the number of services offered solely through the Post Offices. This would take away further income away from sub-postmasters. Post Offices are the centre of their communities. The economic impact of a Post Office closing, even temporarily, on the other nearby businesses can be immense. People come to high streets to visit their Post Office and then whole town centre benefits from having a Post Office to draw people in.

The loss of a Post Office has a very big impact both on rural communities and on deprived urban communities. People can be cut off from a way of communicating with the outside world, as well as losing a trusted, local means to access cash and interact with the state.

Sub-postmasters feel that they are not after money for nothing. They state they want to receive fair pay for the hard work they do. In November 2012 the Post Office was awarded a contract in the region of the £450m to provide local access to DVLA services, yet a 50% reduction was imposed on the pay sub-postmasters receive for transacting these services.

Similar contracts will allow the Post Offices to be a key place for people to access government services. Digital by default may be the government's priority but ministers have also stated that they want the Post Office to become the 'front office for government'. Many vulnerable people, including the elderly, will still need help to access the benefits and receive the payments. Sub-postmasters feel that the existing Post Office structure is perfectly placed to continue helping people in this situation.

People are caught by payday lenders in all locations, not just in the inner city. Post Offices could provide a link between people and suitable financial services, such as credit unions. This can allow people to be more financially independent whilst having high quality and customer focused services nearby.

Sub-postmasters may raise issues with Members, including:

- What ways the Council can work with Post Offices.
- Whether there are further Council services that could be offered through the existing network.
- Whether the Council can support sub-postmasters in making clear the long term impact of Royal Mail privatisation on people and communities in Leeds.
- Whether the money the Government may have lost through potentially undervaluing the Royal Mail could have been invested in delivering a high quality Post Office for future generations within Leeds

Thank you. (*Applause*)

THE LORD MAYOR: Thank you. Councillor Nash.

COUNCILLOR NASH: My Lord Mayor, I move that this matter be referred to the Executive Board for consideration.

COUNCILLOR G LATTY: I second that, Lord Mayor.

THE LORD MAYOR: All those in favour? (*A vote was taken*) That is CARRIED.

Thank you for attending and for what you have said. You will be kept informed of the considerations which your comments will receive. Good afternoon, have a good day. Thank you. (*Applause*)