

Press release

Government pledges to secure the future of the Post Office

£370 million funding will help to extend opening hours, cut queue times and protect rural branches.

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From:

Department for Business, Energy & Industrial Strategy

(<https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>) and

The Rt Hon Greg Clark MP (<https://www.gov.uk/government/people/greg-clark>)



- new funding will enable the Post Office to further modernise its network and bring extra benefits to customers across the UK, with £2 billion invested since 2010
- the Post Office has moved into profit for the first time in 16 years and branch numbers are the most stable they have been for decades
- today 95% of small business customers can access day-to-day banking services in post offices, improving the business environment for small and medium-sized firms – a key part of the government's Industrial Strategy

The government today (20 December) announced £370 million of funding to secure the future of the UK's Post Office network.

Of that funding £210 million will be invested in continuing to modernise the network so it can continue to provide essential services and bring additional benefits to its 17 million customers across the UK, including extending opening hours and cutting queue times.

A further £160 million will help to protect 'last shop in the village' community branches and ensure everyone continues to have access to their local branch. Figures published today reveal the network has grown for the second year running, with 99.7% of people living within 3 miles of their local post office and number of rural branches rising to 6,185.

A key part of the government's Industrial Strategy (<https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>) is improving the business environment for our small and medium-sized firms and the government is delivering on a manifesto commitment to extend the availability of banking services to SMEs and families through the Post Office network. Today 99% of UK personal bank customers and 95% of small business customers can access day-to-day banking services in branch and last year the Post Office helped customers carry out 110 million banking transactions, an average of 200 a minute.

The funding agreement, which will run from April 2018 to March 2021, comes as the Post Office moved into profit in 2017 for the first time in 16 years, making the business less reliant on government subsidies.

Business Secretary Greg Clark said:

The Post Office is at the heart of communities across the UK, with millions of customers and small businesses relying on their local branch every day to access a wide range of important services.

With the network at its most stable in decades, this £370 million of government funding will ensure it can continue to modernise and bring further benefits to customers across the UK.

Paula Vennells, Chief Executive of the Post Office said:

Making a profit for the first time in 16 years is a major milestone in the Post Office's journey to a sustainable and successful business.

We're fulfilling the promises we have made, and this is recognised by the government's further investment in the Post Office, which will enable us to continue transforming the business to meet our customers' changing needs – a transformation that has already seen us make significant progress.

We are committed to making the Post Office matter as much tomorrow as it does today. For over 370 years, the Post Office has stayed relevant to communities the length and breadth of the UK by changing and adapting. With the Post Office now trading at a profit, we are better placed than ever to embrace the future. By continuing to invest in post

offices, in our digital channels, in support services and - most importantly – by putting our customers first, I am confident that the Post Office is absolutely ready to take on the opportunities and challenges ahead.

Thanks to government investment of more than £2 billion between 2010 and 2018, the Post Office has:

- a stable network of around 11,600 branches
- delivered its first profit in 16 years
- modernised more than 7,500 branches
- protected over 3,000 'last shop in the village' community branches
- extended opening hours on weekdays and at weekends, adding almost a million extra opening hours every month
- become the largest Sunday retailer in the UK with more than 4,400 branches open on Sunday
- ensured 93% of people live within 1 mile of their nearest branch.

The government has also published its response to the Post Office Network Consultation (<https://www.gov.uk/government/consultations/post-office-network>) carried out in November 2016 which helped to inform the scale and nature of today's funding announcement.

Notes to editors

1. The Post Office has published its 2016 to 17 annual report, financial statements, and network report on its website (<http://corporate.postoffice.co.uk/>).

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