

A New Vision for Post Office Services in Ireland



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In reimagining a new future for Post Office Services in Ireland, meeting the needs and requirements of customers and communities is an absolute priority for An Post.

Debbie Byrne

Managing Director - An Post Retail

Supporting Communities

At the heart of An Post's new vision for Post Office Services in Ireland is the delivery of An Post's Social Contract with our customers.

In reimagining a new future for Post Office Services in Ireland, meeting the needs and requirements of customers and communities is an absolute priority for An Post.

We need to achieve this in a way that is economically viable, sustainable and which ensures that there are essential post office services available in every community in Ireland. Ireland's Post Office Network is at a pivotal point and urgently requires a new focus if it is to have a sustainable future.

Facing a perfect storm of decreasing customer transactions, increased competition from new technologies and changing consumer habits and settlement patterns, the Post Office Network as currently configured faces a challenging and uncertain future. If viewed from a straightforward financial perspective, less than a third of post offices currently in operation are financially viable.

Unless addressed now, this situation has enormous implications for An Post, Postmasters and the communities served by An Post.

The challenges being faced by the Post Office Network in Ireland are no different to Post Offices internationally. In line with experiences globally the very viability and survival of the Post Office Network is at risk unless we reimagine how Ireland's Post Office network can work to serve communities nationally.

An Post needs to take steps to create and support a sustainable, viable and customer focused network for Post Office Services which offers customers more and which will be supported locally.

To help achieve this, An Post Retail has been established as a standalone business unit within An Post to specifically deliver on a new vision for Post Office Services in Ireland.

An Post Retail will lead the transformation of the Post Office Services in Ireland, by meeting new competitive challenges and customer needs through new products, new office formats and retail models.

Reimagining Post Offices Services in Ireland

To address current challenges and lay the context for the creation and development of a vibrant and sustainable Post Office Network in Ireland, An Post is announcing an initiative which will fundamentally reimagine Post Office Services in Ireland.

This initiative has been developed with the benefit of helpful and insightful studies, including the Report of the Post Office Network Business Development Group and has benefitted hugely from engagement with the Government, the Oireachtas and groups representing post office users.

Critically it has also been developed following a process of constructive engagement with the Irish Postmasters Union (IPU), who share the objective of creating a vibrant, dynamic and sustainable Post Office Network in light of the considerable challenges that their members face. Achieving a common view with the IPU on measures required to regenerate the Post Office Network in Ireland has been of significant importance to a renewal programme.

Supporting Postmasters

The majority of Irish Post Offices are not owned by An Post, but are independent businesses run by Postmasters, typically under contractual arrangements which were first developed in 1907.

An Post recognises that Postmasters have faced challenges as they have seen business volumes decline in the Post Offices that they operate.

Central to the development of a new vision for Post Office Services in Ireland has been the creation of new structures and arrangements between An Post and Postmasters – ones that recognise their commitment and loyalty, incentivises increased transactional volumes and provides the basis for a productive and rewarding business relationship.

An Post has also needed to recognise that there are Postmasters who do wish to cease operating Post Offices for a variety of reasons, including reaching retirement age, unsustainable transaction volumes, or issues of health. Supporting these Postmasters, and the communities that they serve is a key focus of this new Vision for Post Office Services in Ireland.

Through working with the IPU on an intensive 3 month mediation process, An Post has reached an important historic and unprecedented agreement to support Postmasters, which will be put to IPU members for their view in the coming weeks. Details of this breakthrough deal will be outlined by the IPU to members at a special meeting in April. The deal concluded with the IPU represents a major milestone in the delivery of a new vision for the Post Office Network in Ireland. There is an unprecedented opportunity for An Post, the IPU and Postmasters to work together to deliver a reimagined Post Office network with new services and a brighter sustainable future focus on meeting the needs of customers and communities.

A New Vision for Post Office Services

We are reimagining the Post Office Network to drive more customer visits and appeal to broader demographics.

An Post Retail manages €14bn worth of transactions every year, managing more cash than any other retail network and over €20bn in State Savings for the National Treasury Management Agency. It is backbone of the social welfare system paying 580,000 customers every week and creates employment for more than 3,500 people nationwide. It is a vital network which will be transformed by meeting customer needs through new products and new formats. The Retail team is focused on developing three product pillars: the one-stop-shop for Government services; diversifying and growing financial services for citizens and SMEs to provide more services in more locations; and out-of-home e-commerce services with longer opening hours.

At the heart of this transformational programme for the Irish Post Office Network is a commitment by An Post to provide communities with a broad range of enhanced services.

New post office services will be offered

New one stop shop for Government and public services

The harp above the door has always been an important and defining element of the Post Office Network, the place where citizens can transact with Government. As an example of the Post Office Network operating effectively to provide important government services to the public, the Passport Express service is tried & tested with 347,000 passport applications completed through the post office network in 2017. Additionally 680,000 people use the Post Office network each week to collect Social Protection payments from the State.

We look forward to a renewed commitment from Government to the Post Office Network to ensure that the defining role of the post office is fully realised. The Post Office Network nationwide is mandated by law and well placed to offer a wider range of government services to all citizens.

An Post will work with Government to expand the range of State and public services available from Post Offices and will seek to be the “one-stop-shop” for both local & central government services, including;

- Motor tax, vehicle registration, and driving licences
- Identity verification - postmasters could check, authenticate and digitise all government applications, and then forward them to the relevant government department
- A Digital Assist Service for people unable or unwilling to use electronic channels for the delivery of government services
- Continued provision of Social Protection Services
- Payment collection services for public authorities, including local authorities, educational providers & social services for payments including commercial waste fees; licences, planning applications, parking and other fines or payments
- The whole network will also benefit from the greater utilization by Government agencies to provide a fuller range of services

Financial services for SMEs and consumers

In many communities, the Post Office is the last remaining entity for financial services as retail banks reduce their branch networks. Existing financial services provided at Post Offices include Government savings products offered by the National Treasury Management Agency to personal savers are sold by An Post in the Post Office network, there is currently over €20bn in Government Savings products administered by An Post.

In addition An Post Offers;

- Foreign Exchange
- Bill Payments
- Insurance Services
- Banking Services
- Western Union Services

There is significant potential for An Post to extend the range of existing financial services available so communities have access to excellent, consistent financial products through the Post Office Network within tiered levels including;

- The roll out of a smart Current Account,
- A new multi-currency card
- A broadened range of insurance services
- Additional Bill Pay Services
- Personal loans, credit cards, and mortgages
- The provision of over the counter retail services for customers of banks

Additional mail and parcel services to be Ireland’s eCommerce and digital backbone

The Post Office Network is the backbone in Ireland for ‘out-of-home’ e-commerce: the place to collect and drop parcels, and to become a place out-of-home where the world of e-commerce can be fully accessed. This includes the installation of parcel lockers in Post Offices for added consumer convenience.

A reshaped, refurbished and modernised network

New Contract

A new contract will be developed replacing the contract first developed in 1907, facilitating the creation of a modernised and revitalised network.

A Capital infrastructure fund will be created

This will support Postmasters who wish to upgrade their premises.

Co-located Post Offices will be encouraged

Post Offices will be collocated with existing retail outlets to facilitate greater convenience and benefit from retail concentration and increased footfall.

New customer focused operating model

Post Offices will have longer opening hours including during lunchtime and Post Office Services will be available later in many more locations - in co-located stores, these services will be available during the retailer's normal opening hours.

New Post Office formats

Modern, accessible and open Post Office layouts will be offered, fully utilising technology for better service.

Omni channel services

Post Office Services will be offered through a range of channels – including face to face and digital.

Commitment to Post Office Service levels

An Post will work to safeguard the social and economic value of Post Offices and will ensure the following minimum service levels apply;

- In rural Ireland An Post will seek to ensure that all settlements with over 500 people will have a Post Office – 20 new post offices being opened nationally
- In rural areas 95% of the population will be within 15km of at least one Post Office
- In urban areas, 95% of the population will be within 3 km of at least one Post Office
- Offshore islands will retain their Post Offices
- There are no proposals as part of this Vision for the compulsory closure of Post Offices by An Post. However there will be consolidation of Post Offices in some areas where an existing Postmaster retires. The level of the closures and consolidations will depend on the numbers of Postmasters wishing to retire and specific factors relevant to each location, which will be assessed by reference to the Protocol for Post Office Services referenced in the Appendix on page 12

Consolidation of Post Office Services

There will be consolidation of Post Office Services nationally in locations where local Postmasters retire. An Post's overriding aim is to make as many Post Offices as possible viable. Consolidation will help to achieve this by transferring business from smaller offices to offices which are on the margin of viability. An Post recognises the concerns that the closure of a Post Office presents to a local community. In deciding the future of Post Office Services in locations where a Postmaster is retiring, An Post will ensure that the criteria as outlined above in the Commitment to Post Office Services will be met.

In the interests of providing clarity and certainty to communities and their representatives on the criteria that inform An Post's decision on Post Office consolidations, the decision on whether to consolidate an existing Post Office with another local Post Office will be based on the Protocol published by An Post and attached as an Appendix to this document. This Protocol ensures that when assessing if consolidation will occur An Post will take the following factors into account;

- The intentions of the current Postmaster
- The presence of a customer base facilitating transaction levels to support a Post Office
- The proximity of other Post Offices
- The suitability and accessibility of available premises
- The capacity of other retailers locally to provide Post Office Services in a mainstream retail format
- Whether a suitable Postmaster appointment can be made in the area
 - Where an existing Post Office is closing in an area and the services being consolidated to another Post Office An Post will work with local retailers to make provision for Post Office Services (for example Post Point services) to be offered in the affected areas
 - The closure of a Post Office will not in any way impact on daily mail and parcel delivery services in an area. This direct daily link between An Post and local communities will be retained
 - An independent review body will be established to oversee the implementation of the protocol on Post Office consolidations by An Post and to consider submissions from local groups on the consolidation of Post Offices

Achieving a New Vision for Post Offices

An Post will continue to work closely with our retail agents, Postmasters and relevant representative bodies to deliver on a new vision for Ireland's Post Office Network.

In particular, broadening the range of public services that customers can secure at their nearest Post Office will require a strong partnership with Government.

The Government, Postmasters, retailers, An Post and the wider public share a common interest to see the Post Office Network succeed and grow on a feasible, sustainable and rewarding basis. Ultimately the future of individual post offices depends on the local community in which they are located. Government and other stakeholders can act as enablers but the individual offices can only be sustained if they are used by the community.

The implementation of a new vision to transform Irish Post Offices will require commitment, focus, investment and a belief that Post Offices can continue to play an important role in Irish Society. There is a definite will among customers to avail of the wide range of services offered through Post Offices and it is up to all stakeholders to harness this goodwill and convert it into a sustainable future.

Feedback

An Post would be keen to hear your views on the implementation of our Vision for Post Offices in Ireland.

We will be engaging with various stakeholder groups in the coming weeks to secure their feedback and input. If you would like to make your views known to An Post please send your comments to;

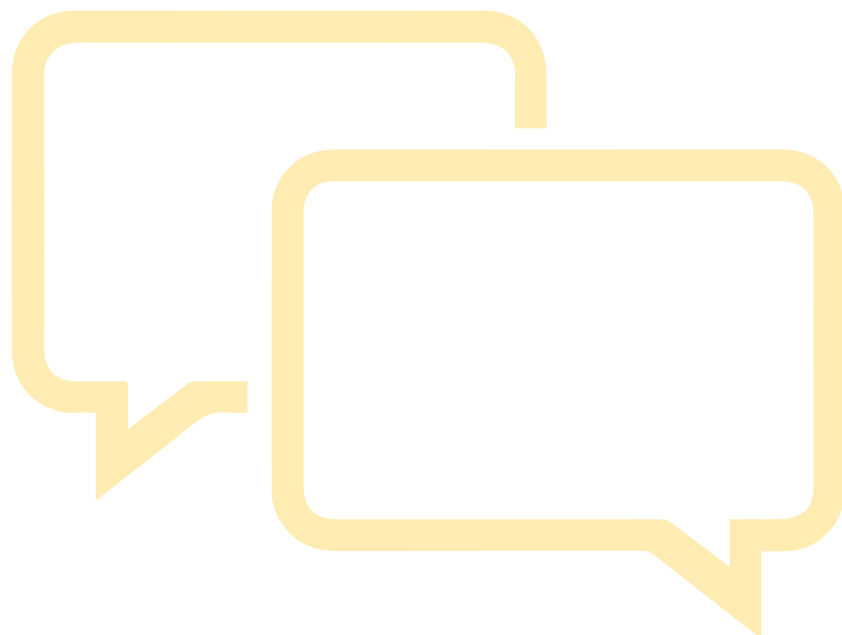
By post to

Angus Lavery,
Public Affairs Manager,
An Post, GPO,
O'Connell St.,
Dublin 1
D01 F5P2

or by email

angus.lavery@anpost.ie

Comments and feedback from stakeholders will be taken into account in the implementation of our vision for the future of Post Offices in Ireland and should be received by Friday 18th May 2018.



Appendix

Protocol concerning the consolidation of Post Office Services April 2018

1. This protocol sets how An Post will facilitate the continued provision of Post Office Services in areas where an existing postmaster decides to retire or ceases operating an existing Post Office.
2. An Post is extremely conscious of the value placed on Post Office Services in towns and villages across the country. An Post is also keenly aware of its mandate to meet social and community needs and is committed to a dual task of public service and commercial viability.
3. Where an existing postmaster is retiring or otherwise ceasing the provision of Post Office Services from an existing Post Office, An Post will make an assessment on the future provision of Post Office Services within that locality by reference to the following criteria;
 - The intentions of the current Postmaster
 - The presence of a customer base and transaction levels to support a Post Office
 - The proximity of other Post Offices
 - The suitability and accessibility of available premises
 - The capacity of other retailers locally to provide Post Office Services in a mainstream retail format
 - Whether a suitable postmaster appointment can be made in the area on the basis of a new Postmaster Contract
 - Compliance with the following minimum service levels;
 - In rural Ireland we will endeavour to ensure that all settlements with over 500 people will have a Post Office. The population threshold does not apply to offshore islands which will continue to retain their Post Offices.
 - In rural areas 95% of the population will be within 15km of at least one Post Office
 - In urban areas, 95% of the population will be within 3 km of at least one Post Office
4. A notice detailing An Post's decision concerning future Post Office Services will be exhibited in the Post Office in question as soon as that decision has been made.
5. The notice will outline the reasons for the decision by reference to the criteria outlined above, the proposals for continued Post Office Services for the area concerned and details of a process whereby customers, local groups and representatives can apply to have the An Post decision independently reviewed.
6. This review will assess if An Post has correctly applied the criteria outlined in this Protocol and will be carried out independently of An Post.

