



Liberal Democrat Statement on Post Office Closures

Liberal Democrats believe that sub-Post Offices are the lifeblood of communities in both rural and urban areas, particularly when they are combined with other services, such as the local shop. Post offices have a vital role to play for the more vulnerable groups in society – the over 65s, disabled people, carers, single parents, unemployed people and those without a car who find it difficult to use public transport. Closures affect these people more than any other members of society. When the local Post Office closes other services often follow suit, which can have extremely detrimental repercussions for the community.

Over the last two decades post offices have been closing at a rate of over 300 a year. The total number of post offices has fallen by more than 3,595, or 19%, over the last ten years alone, leaving 14,609 post offices in the UK at the end of March 2005. When Labour came into power in 1997, that figure was 19,251. Alarmingly, this decline seems to be accelerating: over half of the total closures in the last ten years have taken place within the last two years.

Labour has stripped away the traditional services provided by the Post Office and the result has been massive losses in income for Sub-Postmasters. The Post Office network was undermined by the badly thought out transfer of benefits payments from the Post Office to the banking system.

Royal Mail operates separately from both Post Office Ltd and Parcelforce, and is in need of major investment if it is to survive a fully competitive market, which will be the case from 1st January 2006. The delivery service has been starved of investment by the Government for the last 30 years. The Group has a pension fund deficit of £2.5 billion. The Liberal Democrats are currently considering the issue of ownership of Royal Mail and how best to raise the investment needed. It is essential to find a way of accessing finance needed for investment in automation, improved services and to ensure the survival of a strong and successful local post office network. We are also looking at employee share ownership.

Whatever decision is taken regarding the future ownership of Royal Mail, this will not affect the status of the Post Office as a publicly owned company. We would also ensure the cost of posting a letter remained the same anywhere in the UK.

Liberal Democrats have been active in opposing the closure of local Post Offices under Labour and Conservative governments and have fought to protect the network as an essential service within the public sector. Our priority is securing new services for post offices to offer the public to ensure post offices remain viable and a constant presence on our High Streets, and in our villages. You have my assurance that we will keep up the pressure on the Government on this issue, and seek to ensure that the necessary reforms are implemented in order to protect the Post Office network.

Norman Lamb MP, Shadow Trade and Industry Secretary
25th October 2005