

## **CWU Submission to Ofcom Consultation: Regulation on the provision of post boxes**

### **Introduction**

1. The Communication Workers Union (CWU) is the largest union in the communications sector in the UK, representing over 200,000 employees in the postal, telecoms and related industries. It is the recognised union in Royal Mail Group for all non-management grades.
2. Section 29(6) of the Postal Services Act 2011 requires Ofcom to “secure the provision of sufficient access point to meet the reasonable needs of the universal postal service”. Access points are post boxes and post offices. Ofcom is currently consulting on the regulation of access to post boxes only.
3. Royal Mail has a network of 115,000 post boxes. They are subject to access point criteria which require that within each postcode area there be no fewer than 200 delivery points per square kilometre and that 99% of users are within 500 metres of a letter box.
4. Ofcom asserts that Royal Mail is not and has never been compliant with these access criteria. Post codes in most rural areas and some cities do not meet the criteria.
5. Ofcom believe the access criteria are not fit for purpose. The regulator is proposing to modify the access criteria to make sure the current distribution of post boxes is compliant and is proposing the following UK-wide access point obligation:
  - There should be a post box within 0.5 miles by straight line distance of at least 98% of delivery points nationally; and
  - For the remaining 2% of delivery points, Royal Mail must provide sufficient access points or other means of access to the universal service (e.g. collections on delivery from very remote or isolated locations such as farmhouses) to meet the reasonable needs of users.

### **CWU response**

6. The CWU notes that Royal Mail has never been compliant with delivery point access criteria and that, while this issue was previously raised by Postcomm in 2005, no action was taken as users’ reasonable needs were thought to be being met.
7. We recognise that Ofcom is seeking to ensure that Royal Mail is compliant with regulation while also ensuring no additional burdens are placed on the company by requiring it to install new post boxes. We further recognise that Ofcom is seeking to maintain the current distribution of post boxes across the UK.

8. The CWU accepts that access criteria need to be appropriate. It is not helpful to have access criteria which are neither achieved nor enforced. We support moves to put in place relevant access criteria and we accept that the current distribution of post boxes is an acceptable starting point. However, we believe Ofcom should be careful not to allow a decline in provision. Ofcom argue that volumes of mail posted in post boxes has declined year on year, but it is not clear from the evidence provided by Ofcom as to the extent and the distribution of this decline among post boxes. We should therefore be wary of assuming any decline in post box numbers and distribution is acceptable.
9. We support Ofcom's proposal to amend access points regulation. Our concern is to ensure that the current number and distribution of post boxes cannot be eroded while still remaining compliant with the regulator's new access criteria. Ofcom state that "*we do not expect the proposed modification in regulatory requirements to have a material impact on urban users in the short to medium term*". Unfortunately, Ofcom's proposals provide little guarantee that this will be the case. We would like to see additional protection to ensure that there is no erosion of the current number and distribution of post boxes.
10. There are risks associated with Ofcom's proposals. Notably, the proposals will require fewer post boxes in high density postcode areas. Many high density areas have more post boxes than would be required by Ofcom's proposals. Therefore, the criteria provide little protection from service reductions in these areas. Moreover, the proposals also require an average level of post-box density across the whole of the UK, rather than at postcode area level, meaning that non-compliance could be concentrated in certain postcode areas while remaining compliant with the access criteria.
11. The CWU supports the amendment of access criteria and the introduction of Ofcom's proposals, subject to regular review to ensure the current number and distribution of post boxes is meeting user needs and also to ensure no erosion of the network. To this end, we think it is essential that Ofcom introduce additional safeguards to preserve the current network including the robust enforcement of access criteria.
12. We support the introduction of appropriate removal criteria, similar to those which apply to BT in relation to pay phones, which allow local organisations to object to and veto the removal of local phone boxes. However, we recognise that Royal Mail needs flexibility to manage its network effectively. Therefore we believe consideration should be given to how removal criteria can be adapted to allow sufficient safeguards to the network while giving Royal Mail some flexibility to make small-scale changes to the network as local circumstances develop. We urge Ofcom to develop and consult upon an appropriate condition for implementation.