

11 JANUARY 2022

## **PC1-22 | OFCOM REVIEW OF POSTAL REGULATION**

### **Summary**

The Office of Communications (OFCOM) has recently launched a consultation into its review of postal service regulation from 2022-2027. The aim of the review is to support the financial sustainability and efficiency of the universal postal service, promote competition and improve protection for consumers.

The main consultation document can be downloaded [here](#) . The consultation closes at OFCOM on 3 March 2022.

### **Context**

The proposals include:

- Maintaining the current overall framework for regulating Royal Mail in relation to the universal service.
- Retaining all existing safeguards to protect consumers.
- Increasing OFCOM's understanding of Royal Mail's longer-term sustainability outlook for the universal service.
- Continuing to promote effective competition in the wider postal markets.
- Introducing new targeted consumer protections for parcel services.

NALC will be responding to this consultation as most rural local councils will have an interest in the proposals for the regulation of postal services from 2022 to 2027, including the future of the Universal Service Obligation for letters and parcels - especially during a time of the escalating OMICRON variant.

### **NALC's current policy positions**

NALC will be arguing very strongly to OFCOM that any review of postal regulation must take account of the need for an appropriate programme of continuing and realistic revenue support for the Sub Post Office network, including PO Local and Outreach.

Local Post Offices are a very important part of the fabric of local communities and the review should recognise that with the majority of their postal revenue coming

through Royal Mail business changes to regulation may have an indirect impact on the viability of local Post Offices.

### **Consultation Questions**

The main consultation questions NALC will be responding to in this consultation are as below and NALC seeks the views of county associations and member councils in response to these questions to help inform its own submission to OFCOM:

#### **Section 2: The postal services market and our proposed approach to regulation**

**Question 2.1: Do you agree with Ofcom's proposed regulatory approach for regulating postal services over the next 5-year period (2022-2027)? If not, please explain the changes you think should be made, with supporting evidence.**

#### **Section 3: Financial sustainability**

**Question 3.1: Do you agree with our proposed approach to sustainability of the universal service? Please substantiate your response with reasons and evidence.**

#### **Section 4: Efficiency**

**Question 4.1: Do you agree with our proposal to maintain the historic approach but with the additional requirement on Royal Mail to set and report against a five-year expectation? Please substantiate your response with reasons and evidence.**

**Question 4.2: Do you agree with our proposals in relation to the monitoring and publication of the efficiency expectations prepared by Royal Mail? Please substantiate your response with reasons and evidence. Please substantiate your response with reasons and evidence.**

#### **Section 5: USO letters regulation**

**Question 5.1: Do you agree with our proposed approach of maintaining the current regulatory safeguards of the safeguard cap, high quality of services standards, and requirements on access to universal services? Please substantiate your response with reasons and evidence.**

**Question 5.2: Do you agree with our proposal to not impose further regulatory requirements on Royal Mail in relation to Redirection pricing, following implementation of its improved Concession Redirection scheme? Please substantiate your response with reasons and evidence.**

**Question 5.3: Do you have any further evidence on other issues raised in this section?**

#### **Section 6: Parcels market regulation**

**Question 6.1: Do you agree with our assessment of the parcels market, namely that it is generally working well for consumers, but improvements are needed in relation to complaints handling and meeting disabled consumers' needs? Please substantiate your response with reasons and evidence.**

**Question 6.2: Do you agree with our assessment of the consumer issues in relation to complaints handling and our proposed guidance? Please substantiate your response with reasons and evidence.**

**Question 6.3: Do you agree with our assessment of the issues faced by disabled consumers in relation to parcel services and our proposed new condition to better meet disabled consumers' needs? Please substantiate your response with reasons and evidence.**

#### **Section 7: USO parcels regulation**

**Question 7.1: Do you agree with our proposal not to include tracking facilities within First and Second Class USO services? Please substantiate your response with reasons and evidence.**

**Question 7.2 Do you have any further evidence or views on other issues relating to USO parcels regulation? Please substantiate your response with reasons and evidence.**

#### **Section 8: Access for Bulk Mail**

**Question 8.1: Do you agree with our proposals on the scope of access regulation? Please substantiate your response with reasons and evidence.**

**Question 8.2: Do you agree with our proposals on access price regulation? Please substantiate your response with reasons and evidence.**

**Question 8.3: Do you agree with our approach and proposals for the non-price terms of access regulation? Please substantiate your response with reasons and evidence.**

## **Your evidence**

Please email your responses to this consultation to [chris.borg@nalc.gov.uk](mailto:chris.borg@nalc.gov.uk) by 17.00 on Thursday 17 February, 2022. County associations are asked to forward this briefing onto all member councils in their area.

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