

## POST OFFICE CLOSURES

**Lead Member:** John Kane, Chairman of the Economic Development and Enterprise Overview and Scrutiny Committee  
**Lead Officer:** Neil White, Scrutiny Officer

**Recommendation:** that Council

- (A) notes the work undertaken by the Economic Development and Enterprise Overview and Scrutiny Committee on the proposed Post Office Closures, and
- (B) is asked to consider that if the closures go ahead the Council should investigate, as a matter of urgency, with key partners a multi agency approach to providing outreach services, where possible, to replace the service that may be lost in the affected communities.

## **BACKGROUND**

Council will recall that Post Office Ltd has published consultation proposals on the future of the Post Office network in Cumbria. These proposals are part of the Post Office's Network Change Programme following measures announced by the Government in May 2007 to change the overall size and shape of the network of Post Office branches in response to changes in the way services are delivered.

The Network Change Programme proposes the compulsory closure of up to 2,500 branches nationwide and the introduction of service points ("Outreaches") in approximately 500 locations.

The Area Plan Proposal for Cumbria envisages closure of 35 branches and retention of the remaining 226. The proposed closures in Copeland are at the following locations:

Beckermeth  
Bigrigg  
Gosforth  
Holborn Hill  
Lowca  
Moor Row  
Parton  
Tangier Street, Whitehaven

Council at its meeting on 15 April 2008 agreed that the Overview and Scrutiny Committee for Economic Development and Enterprise be delegated authority to

respond to the consultation proposals on the Post Office Closures on the Council's behalf (C 208).

The Committee agreed that two meetings should be held to gather the necessary evidence. These were held on Friday 16 and Saturday 17 May 2008.

It heard evidence from:

Age Concern (Mary Bradley – Chief Executive)

Older Persons' Forum (West Cumbria) – (Peter Johnstone – Chair)

Copeland Disability Forum - (Anne Bradshaw - Chair)

National Federation of Sub Post Masters - (Andrew Woollass, Cumbria Branch Secretary)

Postwatch Northern England - (Dario Cottingham, Network Advisor)

Post Office Ltd (Julia Young – External Relations Advisor and Lesley Frankland, Field Change Adviser)

Cumbria County Council – (David Stephens - Programme Manager (Rural Inclusion & Parish Sector))

Ward Councillor Jeanette Williams

Egremont Town Council (Councillor Elaine Woodburn)

Millom Town Council (Councillor Brian Crawford)

Ward Councillor Yvonne Clarkson

Gosforth Parish Council (Alderman David Gray and Councillor Alan Jacob)

Ward Councillor John Bowman

Parton Parish Council (Chris Shaw, Clerk to the Council)

Ward Councillor John Bowman with supporting written evidence submitted by Councillor F Hollowell

The consultation period set by Post Office Ltd ran until 27 May 2008. The Council's response is attached at Appendix "A". At Appendix "B" is a letter that the Committee agreed should be sent to the Secretary of State for Business, Enterprise and Regulatory Reform on the provision of outreach services.

## **EVIDENCE CONSIDERED**

The key points from the evidence are highlighted below.

### **Age Concern and Older Persons' Forum**

Both organisations expressed their concern at the effect of these proposals on the vulnerable parts of the community. The Post Office was seen as somewhere to have social interaction and for some elderly people it was the only place where this happened.

The additional cost of the extra travel that would be needed to access the proposed alternative branches would hit those who were the least able to pay and it was devaluing the value of a pension along with the increasing costs of travel. On this basis, the 8 Post Offices chosen for closure would not have been those that would have been chosen by the community.

It was clear that the role of the Postman would need to be looked at but there was an opportunity here for a multi agency approach to providing better outreach services. Innovative services had been suggested in places such as Oldham through mobile services that delivered services from a number of organisations to people rather than the other way round.

The increasing numbers of elderly within Cumbria would only exacerbate this problem over the next few years.

### **Copeland Disability Forum**

The Forum described each of the proposed closures and the alternative branches from the point of view of disabled access.

The Forum were of the opinion that if there has to be closures the alternative branches must be compliant with the Disability Discrimination Act 2005 and made fully accessible for the Blind and Deaf community as well as wheelchair users.

### **National Federation of Sub Post Masters**

The Federation painted a picture of steady decline in the numbers of Post Office across the country since the 1960's. Post Office Ltd had a sustain branch policy 8 to 10 years ago that no longer exists.

It was clear that without the planned programme of closures under the Network Change Programme there was a larger risk of more unplanned closures. In light

of this the Federation supported the closures as they would result in a more sustainable network.

The Government subsidy given to Post Office Ltd enabled the smaller more rural branches that served very small communities to remain open. The Network Change Programme tried to keep some of these open in a planned way, without it there was a risk of unplanned, ad hoc closures in clusters affecting a whole string of communities that could be catastrophic.

It would also get worse if there were more restrictions on what could be sold in Post Offices. For example, if the Post Office card that replaced the old pension card was lost by Post office services. The Government contract for Post Office Card 2 was currently out to tender.

The Federation confirmed that it was often the case that where a Post Office closed within a shop the shop often failed as it relied upon the footfall brought in by the Post Office.

The Federation felt that there was a strong need to modernise the Post Offices throughout Cumbria. However it was expensive to refit a Post Office to create better disabled access and individual branches had to apply for Post Office grants. The financial grant though was not always adequate.

It was confirmed that having a bell outside a Post Office was the minimum requirement for disabled access to a Post Office.

The Federation further confirmed that it had been consulted nationally on the closures but not locally on the closures in Cumbria.

### **Postwatch**

Postwatch stated that it has a statutory duty to protect and promote the interests of customers of postal services. It would scrutinise the proposals in the Area plans and pass comments onto Post Office Ltd.

It considered the Area Plans with Post Office Ltd before they became public and in respect of the Area Plan for Cumbria 5 branches proposed for closure had been withdrawn and replaced by another 5. None of these were in Copeland. The reasons for the withdrawals had not been the minutiae detailed in the branch access reports that were part of the Area Plan.

Once the Public Consultation on the closures had been completed Postwatch could escalate individual branches higher up the process where there was a need to do so. Each branch would be looked at individually and separately.

Postwatch confirmed that outreach services would only be provided where the Government's criteria of 99% of the population to be within 3 miles of a closure had not been met. All the alternative branches to the proposed closures in Copeland were within 3 miles of the closing branch so it was not appropriate for there to be any outreach services in Copeland.

Outreach services were not always the answer as it depended on the business involved and it could mean the closure of 5 or 6 branches together.

Postwatch considered that where the Post Office was part of the last shop in the village Post Office Ltd was not taking this sufficiently into account and the council should highlight this where it was the case.

It was difficult to assess which alternative branches customers would go to when a Post Office closed as it related to a number of factors that were different in each area.

Postwatch confirmed that Post Office Ltd could close two of the three urban post offices in Whitehaven and still easily meet the national criteria, as the criteria for urban deprived areas, and the 95 per cent requirement within 6 miles in each postcode district would be met.

It was further confirmed that Postwatch would be abolished and would merge with the National Consumer Council on 1 October 2008. Further information was available at <http://www.ncc.org.uk>.

Postwatch agreed that Post Offices needed to close in a constructive and structured manner. It was agreed that 2,500 needed to be closed and it would look to ensure that the closures met the national access criteria.

### **Post Office Ltd**

Post Office Ltd stated that the Post Office network was losing £3million a week. The aim of the Network Change Programme was to get the network into profit. As a result of this the plan was to close 2,500 branches nationally within access criteria set by the Government.

The access criteria were used to work out which branches should be closed in Cumbria. Nationally it was aimed to close 18% of branches and in Cumbria it was proposed to close 18% although some parts of Cumbria will have a greater percentage of closures than that. This would be by no more than an additional 5%.

The closures were assessed by the Post Office Ltd's computer model and then discussed with Postwatch to ensure that the Government's access criteria were

met, the network would make savings and there would continue to be a service provided. Sub Postmasters were not part of the process.

It was confirmed that all the branches earmarked for closure did not make a profit for Post Office Ltd but may be profitable for the Sub Postmaster. This was due to the support and infrastructure costs that the Post Office Ltd has to bear which include delivery of cash; facilities to hold cash, keeping stock, security and I.T. costs.

Post Office Ltd confirmed that outreach services would only be provided where the Government's criteria of 99% of the population to be within 3 miles of a closure had not been met. These tended to be provided where there was lower customer numbers in rural areas where 7 to 8 miles would be far to travel to access an alternative branch.

The factors that Post Office Ltd would take into account for reassessing the closures were:

- The proximity of Post Office branches proposed for closure to nearby branches
- Customer numbers
- Size and ability of nearby branches to absorb extra customers
- Commercial implications
- Physical access constraints
- Availability of public transport
- Alternative access to key Post Office services (e.g. ATMs)
- Local demographics
- Impact on local economies.

It would also consider relevant regeneration or economic development information.

The point of the public consultation was to assess these factors as they were detailed in the branch access reports and reassess the closures where the Post Office information is wrong.

Post Office Ltd stated that the increasing number of elderly people in the population in Cumbria had not been taken account of and should be part of the council's submission on the closures.

Where a proposed closure was withdrawn due to the local public consultation it was very likely that this would be replaced with another closure from within the whole of the area plan. In this case the whole of Cumbria.

There would then be a further period of 6 weeks for public consultation on the new closure where the branch access report could be challenged.

It was further stated that Post Office Ltd was not aware that this area had been West Cumbria proofed. Not was it aware that the Council had introduced in April 2008 an alternative means of paying council tax that encouraged council tax residents to pay their council tax at their local Post Office.

Post Office Ltd did not agree with the presumption against closing a post office where this is the last shop in the village as it was often the Post Office services that were enabling the shop to run and in effect the Post Office was subsidising the shop.

The plans for closure did not take into account the degree to which the office was Disability Discrimination Compliant. However once the closures were confirmed the alternative branches that were chosen to take on the customers from the closed branches would be revisited and assessed to work out how many improvements would be needed.

It was not possible to say how much grant for improvements would be available in Cumbria but the maximum grant available per Post Office was £10,000. It might be possible to get a larger grant in exceptional circumstances.

Post Office Ltd cannot guarantee that, at this stage, the closures in the Change Programme will be sufficient to create a more viable and sustainable network or that more closures will be needed in the future.

Post Office Ltd would be happy to engage with local authorities and other third sector organisations to consider innovative approaches to delivering services but this would only be on a cost neutral basis.

### **Cumbria County Council**

The County Council explained that it had been involved in discussions regarding the closures since last year.

In November 2007 key stakeholders were invited to an event where consideration of economic development and regeneration plans had been fed into the consultation on the proposed closures. Unfortunately little of that work had seemed to be included within the Area Plan for Cumbria.

A recent meeting in March had again involved key stakeholders and had looked at the Area Plan in detail. This would form the basis of the County Council's

evidence along with information that had been gathered through the Neighbourhood Forums.

The County Council were going to object, in principle, to all the closures within Cumbria due to the effect that the closures would have on the local communities.

The County Council had looked at the proposal by Essex County Council to take over 15 of the branches that were going to close in Essex. This was a complex situation and the Council had concluded that it would not be possible to do this in Cumbria. It was disappointing that Post Office Ltd had not released commercial information to the County Council on a confidential basis to allow the Council to better understand the implications of the closures.

The County Council's Cabinet was due to consider on 10 June the plans for Public Transport provision across Cumbria next year and as such was not yet publicly available. The closures would be considered as part of those plans with an expansion in the Rural Wheels provision to the whole of Copeland in August.

It was confirmed that there was a residential care home close to the Tangier Street closure and this should be drawn to the attention of Post Office Ltd.

The County Council had pioneered an alternative model of delivering post office services through the combining of a post office with a shop and library 'link' in Melmerby. This had been done on a Social Enterprise basis but had not been successful with the Post Office being closed for some time and is now on the list of proposed closures.

The County Council would however continue to look at alternative solutions and would be seeking new government funding to do so. It would also look at where the Post Office was in the last shop in the village and work with the shop to find ways to make it more viable.

#### **Parish Council/Ward Councillors**

Each of the local community representatives described the proposed closure and the alternative branches in their area from the point of view of challenging the Post Office reasons for the closure. The results of this are shown in the letter to Post Office Ltd in Appendix "A".

#### **List of Appendices**

Appendix "A" – Copeland Borough Council's response to Post Office Ltd on the proposed Post Office Closures in Copeland



Appendix "B" – Letter to the Secretary of State for Business, Enterprise and  
Regulatory Reform on the provision of outreach services.

**List of Background Documents**

None

## APPENDIX 'A'

Richard Lynds  
Network Development Manager  
c/o National Consultation Team  
Freepost Consultation Team

20 May 2008

Dear Richard

### **Network Change Programme – Area Plan Proposal Cumbria**

Further to the public consultation period on the Area Plan Proposal Cumbria that forms part of Post Office Ltd's Network Change Programme detailed below are the comments of Copeland Borough Council on those proposals.

#### **General Comments**

The Council objects, in principle, to the eight proposed closures in Copeland. Local Post Offices form an important and in some cases critical part of local life particularly in small rural communities that exist throughout Copeland.

The Council heard evidence from all 8 affected communities in these closures and they all stressed how much of an impact the loss of the local Post Office would have on their community.

#### **Issues that affect all the Proposed Closures**

There are a number of issues that the council would wish to raise as they affect all the proposed closures. These are:

1. The Council is greatly concerned that 23% of the closures in Cumbria are in Copeland and 46% are in West Cumbria. Furthermore 25% of the Post Office network will close in Copeland at the same time. This is also a greater percentage (by a large amount) of the network being closed than elsewhere else in Cumbria.

The Council has signed a Memorandum of Agreement with the Government that this area would be West Cumbria Proofed. This is due to the unique needs of this area through its geographical remoteness and its high levels of deprivation and rurality. A copy of that Memorandum of Agreement is attached.

Bearing in mind that Post Office Ltd have indicated that they want the closures to be equitable across all parts of England the Council feels that Copeland has been unfairly disadvantaged.

2. The Council is further concerned that 62.5% of the proposed closures have good disabled access (Lowca, Parton, Tangier Street, Holborn Hill and Gosforth) and in some cases have recently spent a large amount of money upgrading the access to the Post Office.

The majority of the alternatives do not have the same access and it is doubtful that there will be sufficient funding available to improve access at those premises where that is possible. This severely disadvantages the disabled and means that the Post Office continues to fail to meet the requirements of the Disability Discrimination Act 2005.

The Council would expect Post Office Ltd to meet its statutory requirements and ensure that all the alternative branches for the closures are made disabled compliant before the closures are started.

3. The Council introduced in April 2008 an alternative means of paying council tax. The Council closed its cash offices and encouraged all council tax payers to use their local Post Offices to pay their council tax.

The Council saw a sizeable reduction in transactions at its cash offices from December 2007 (when the decision was announced publicly). Please see attached table for details.

Whilst the council does not know how many of the Council tax payers use their local Post Office the evidence given by the Federation of Sub Post Masters and a couple of Sub Postmistresses was that it had a been a significant change.

The Council believes that this change in policy would improve the viability of the Post Office Network in Copeland and asks Post Office Ltd to consider this carefully in respect of the proposed closures.

The Council would also appreciate Post Office Ltd advising the Council how many of these customers are now using their local Post Office to pay their council tax bills so that the council can assess the effectiveness of this policy.

4. The Council was disappointed that there were no outreach services proposed in Copeland particularly as there were outreach services proposed elsewhere in the Cumbria Area Plan.

A number of the proposed closures are the last shop in the village and their loss will have a significant effect on the community and local area. An outreach service whilst not falling within the criteria for these would ameliorate a large part of the effect of these closures on such remote areas.

5. The Council would like to point that there is an increasing elderly population in Copeland and throughout Cumbria. The over 65 in Cumbria currently comprise 25.1% of the population projected to increase to 29.3% by 2014 which compares to 21.1% and 23.4% for England.

This is a significant difference and the council would ask that you factor this into reassessing whether all the proposed closures in Copeland should go ahead.

6. The Council was surprised to hear that a representative of Post Office Ltd had visited each of the Post Offices earmarked for closure as there were fundamental errors in the branch access reports and these are highlighted on the attached papers. This should be read in conjunction with Cumbria County Council's evidence and that supplied by the relevant Parish/Town Council as their points are largely not repeated.

The Council would ask that greater care is taken before making a final decision on the closures that involves visiting the Post Offices. If you would like the council to be involved in those visits or require any further information please let me know.

Yours Sincerely

Councillor John Kane  
Chairman of the Economic Development and Enterprise Overview and Scrutiny Committee

Cc Postwatch

APPENDIX 'B'

Rt. Hon John Hutton MP  
Secretary of State for Business, Enterprise and Regulatory Reform  
Ministerial Correspondence Unit  
Department for Business, Enterprise & Regulatory Reform  
1 Victoria Street  
London SW1H 0ET

20 May 2008

Dear Mr Hutton,

**Post Office Ltd Network Change Programme – Area Plan Proposal Cumbria**

I write further to the proposal by Post Office Ltd to close 8 Post Offices in Copeland as part of its Network Change Programme.

I enclose a copy of Copeland's Borough Council's response to these closures from which you will see that the Council is extremely concerned at the potential loss of the Post Offices which form an important and in some cases critical part of local life particularly in the small rural communities that exist throughout Copeland.

The Council believes that as West Cumbria is being disproportionately affected by the closures the proposals are at odds with the Memorandum of Agreement that the Government has signed that this area would be West Cumbria Proofed.

Whilst reluctantly accepting that some closures are viewed by the Government and Post Office Ltd as necessary for Post Office Ltd to survive the council would like to explore opportunities to help those already disadvantaged people who will be hit hardest by these closures.

To this end the Council would wish to enter in negotiations with key partners including the Government on how to provide innovative outreach services, that whilst including Post Office services, could provide other services direct to people's door steps.

The Council has been informed by Post Office Ltd that it would only be able to do this in a cost neutral manner. The cost of doing this for a small district council would be prohibitive without some Government subsidy or funding.

I therefore seek your views as to whether the Government would be prepared to fund a pilot scheme for such an outreach service in Copeland. This part of England is seen as being ideal for such a pilot due to its unique needs through its geographical remoteness and its high levels of deprivation and rurality.

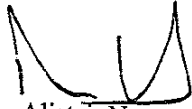
The consultation period on the Cumbria Post Office closures ends on 27 May with a decision on the closures expected in mid June. The branches could start to be closed as early as July so I would be grateful for your response as soon as possible.

Yours Sincerely

Councillor John Kane  
Chairman of the Economic Development and Enterprise Overview and Scrutiny Committee

**Notice of Motion**

That the council fully debate the Audit Commission report on housing, the councils reply, the councils action plan and that the council instructs the portfolio holder to report back to the full council on a regular basis the progress of the action plan where it will be debated fully.



Alistair Norwood