

Report to: **District Council of Easington**
Date: **1 March 2007**
Report of: **Report of Executive Member for Social Inclusion and Culture**
Subject: **The Post Office Network - Department of Trade and Industry Consultation**
Ward: **All**

1.0 Purpose of the Report

1.1 To advise the Council of the Department of Trade and Industry Consultation exercise regarding the future of the Post Office Network and to agree a response to the exercise by the Council.

2.0 Consultation

2.1 Consultation has taken place with the Leader of the Council, the Council's Scrutiny Committees, the Director of Regeneration and Development, the Head of Regeneration and Partnerships and the Principal Regeneration Officer.

3.0 Background

3.1 In December 2006, the Department of Trade and Industry (DTI) published a consultation document regarding the Post Office Network. The document described the Government's future funding and structural plans for both urban and rural Post Offices.

3.2 With new technology, changing habits, a wider choice of accessing services and the government making services available from other venues than post offices, people are visiting their post offices less often. These are all having an impact on how the Post Office network operates placing considerable financial pressure onto the network. The document suggests that the Network lost approximately £4m per week in 2006.

3.3 The government proposes to create a sustainable Post Office Network to enable Post Office Ltd to modernise and restore Crown offices to profitability, to invest in new product offerings and to look at innovative ways to deliver the services that people need.

3.4 It is anticipated by the Post Office that sustainability can be achieved via a reduction in the network through Post Office closures (up to 2,500 to be split between urban and rural settlements equally) and the development of new services that allows the post office to become more competitive.

3.5 In recognition of the important social role that post offices play in communities across the country, the document proposes new minimum access criteria for the network as follows: -

- Nationally, 99% of population within three miles of a Post Office and 90% within 1 mile.
- In deprived urban areas, 99% within 1 mile.
- In urban areas, 95% within 1 mile.
- In rural areas, 95% within three miles
- In remote rural areas, 95 % of the population in postcode districts within 6 miles.

3.6 The document acknowledges that a national network is necessary to ensure that people have access to cash and benefits especially in remote areas.

- 3.7 The consultation Document also highlights the Government's proposals to:
- make substantial further funding available over five years, to support the necessary restructuring and modernisation of the network to put it on a more stable footing. The government recognises that funding will have to be ongoing beyond 2011.
 - Include in the new access criteria for the national Post Office network, criteria to protect vulnerable consumers in deprived urban areas, rural and remote areas. It is acknowledged that there cannot be a 'one size fits all' approach.
- 3.8 Ministers and Post Office Ltd argue that these urban area closures are necessary to prevent the terminal decline of post offices, as many have been struggling financially with too few customers and rises in running costs. The situation was made worse by recent reforms to how benefits are paid.
- 3.9 Whilst the closures in rural areas are in most cases a result of sub-postmasters retiring or resigning and Post Office Ltd being unable to find anyone to take over from them.
- 3.10 The document also highlights proposals to introduce 500 new "outreach "services such as Mobile Post Offices and Service provision via other Community facilities.
- 3.11 The deadline for responses to be submitted to the consultation exercise is 8 March 2007.

4.0 Position Statement

- 4.1 If the Government's plans for modernizing and reform of post offices come into affect this could prove to be problematic for many of the post office users within the District of Easington. Basic services that individuals have come to rely on such as sending parcels, cash point facilities or collection of benefits could become a problem especially in the most deprived areas for many.
- 4.2 The services that the post office offer could be lost in parts of the district as there is not an appropriate venue or a post office nearby where these services can be easily accessed. Currently there are 13 post offices within a mile and six post offices within half a mile of each other with only five being outside a mile (refer to appendix 1). This is however likely to change as part of the government's reforms, which could leave some areas in the district without an accessible post office.
- 4.3 If an alternative venue could be found to deliver the services from, then opening times and access to these facilities need to be considered together with who is going to operate them.
- 4.4 The situation is made worse when you consider that banks and building societies are reducing the number of branches open locally, in many parts the post office is the only place where access can be gained to cash points or to pay bills.
- 4.5 Internet access as yet is not in every household and is dependant on the Internet service providers being in the village. In such instances, the use of I.T. to access Post Office Services will depend upon the connectivity enjoyed within that locality.
- 4.6 Transport is a major issue in deprived urban and rural areas such as Easington as the lack of adequate bus services and associated costs can make access to a post office more difficult if greater travelling is involved. Furthermore, the less mobile members of the community i.e. the infirm or sick will have the greatest barrier to accessing the services provided by the post office.

5.0 Previous Post Office Representations

5.1 The Council's Service Delivery Scrutiny Committee undertook a review of implications for the residents of the District of Easington of Post Office Ltd's Urban Reinvention Programme in 2004. Under this programme and contrary to the representations made by the Council at the time, Post Office facilities were lost at: -

- Dawdon Branch, 14 Queen Alexandra Road, Seaham
- New Seaham Branch, 198 Station Road, Seaham
- Sunderland Road Branch, Sunderland Road, Horden.

5.2 At the time the Council resisted the closures on the basis that they were located in areas with a high density of aged persons' and disabled persons' accommodation, people who traditionally had a high degree of dependency on the availability of the services provided by local Post Office branches. Further concerns were expressed that the proposed closures would have a significant adverse effect upon the quality of life and level of amenity enjoyed by some of the more vulnerable sections of the Community.

5.3 The Council also pointed out that the District of Easington suffers from significant social problems including high levels of poor health. The District was ranked the fourth most deprived in Britain on the Index of Multiple Deprivation published in 2000. Under the 2004 Index the District is ranked 8th.

5.4 Representations were also made against the Post Office criteria that alternative facilities were available in "stronger retail locations" and with "public transport links within the area making all of these [alternative] branches accessible to customers". Notwithstanding these issues, the Council indicated that this would place an additional financial burden upon the elderly and infirm and those families less well off to enable them to access the alternative facilities. Furthermore, the District also experienced poorer public transport network links particularly in the rural western part of the District where Post Office facilities are traditionally seen as the hub of the local community.

5.5 Again in 2006, the Service Delivery Scrutiny Committee made representations to its Members of Parliament regarding the future of Rural Post Offices arising from press reports that there was a potential for 10,000 local Post Offices to close by 2010. The representations mirrored those made in 2004 based around the fact that the District's Post Offices are a vital and integral part of the communities which they service with many of the more vulnerable sections of the Community i.e. the elderly, infirm and low income families dependent upon such facilities for everyday services. It was felt that such Post Office facilities must be supported if the communities are to survive and prosper.

5.6 The Council's Scrutiny Committees have again considered this consultation exercise at their meetings on 19 and 20 February 2007. They each reiterated those concerns expressed at previous times although, in the absence of any specific detail regarding which Post Offices, if any, would be identified for closure, these were in the main centred around general issues regarding: -

- access to services for the vulnerable sections of the community,
- low levels of car ownership within the district which restricts the ability of residents to reach alternative Post Office Facilities,
- poor public transport links between the rural western part of the district and the two main commercial centres of Seaham and Peterlee and the added costs to residents of using public transport to access Post Office facilities,
- The low Internet usage within the district to access Post Office services

- The perception that the Government's proposals were centred around the commercial viability of the Post Office rather than the value provided by such facilities in the more rural areas of the District, particularly in view of the Socio-economic problems evident in the District.

6.0 The Way Forward

6.1 Given the representations previously made by the Council in respect of earlier Post Office network consultations, it is right that the Council should respond to this exercise raising its concerns regarding the impact that any potential Post Office closures would have within the District of Easington, given the socio-economic problems which continue to be experienced.

6.2 It is suggested that the Leader of the Council be mandated to respond to the consultation document and that the District Members of Parliament be copied in on the response.

6.3 The consultation exercise identifies that Post Office Ltd are to embark on the process of identifying which Post Offices may be at risk of closure and the individual procedures for consulting upon such proposed closures in Summer 2007. In the meantime, the Council should look at the issues facing the District in the event that closures are proposed namely,

- Local post office sub-postmasters be contacted to gain their opinions on the modernisation and reforms that are proposed by the government to gauge both the advantages and disadvantages to each individual post office within the District.
- Consultation be carried out with the local community to determine the effects on the local community should post offices be closed in their area.
- Mapping of alternative provision of services offered by the Post Office updating previous research undertaken as part of the recent review of access to services work.
- The wider economic impacts of potential job losses and how these job losses will impact upon the area.
- The alternative business models for the post office function together with the possibility of social and community enterprise initiatives being established be developed and appraised.

7.0 Policy, Legal, Financial and Risk Implications

7.1 Policy Implications

There are no policy implications.

7.2 Legal Implications

There are no legal implications

7.3 Financial Implications

There are no financial implications

7.4 Risk Implications

A risk assessment has been undertaken and at this stage the risks identified are within the corporate appetite.

7.5 Communications Implications

Given the potential impact of the proposals detailed within the DTI consultation exercise, a press release identifying the Council's position regarding the future of the Post Office Network will be prepared and issued.

8.0 Corporate Implications

8.1 Corporate Plan and Priorities

Whilst Post Office services are outside of the Council's direct control, the Council Priority of pursuing "Quality Services for our people" should include using the Council's influence to ensure that the residents of the District have access to a full range of services, including those provided by the Post Office, some of which impact hugely on the quality of life enjoyed by the more vulnerable residents of the District.

8.2 Crime and Disorder Implications

Whilst there are no direct Crime and Disorder Implications arising from this report, the proposals within the DTI Consultation document regarding the potential introduction of 500 new "outreach" services such as Mobile Post Offices and Service provision via other Community facilities might give rise to issues that will need to be assessed to minimise Crime and Disorder Implications.

8.3 Social Inclusion Implications

The proposals detailed within the consultation document highlight the risk of potential for Post Office closures within the District of Easington. The services provided within these post offices, especially those in more rural areas, are essential to the more vulnerable residents of the District including, the elderly, the infirm and those families on low incomes for whom the post office is an essential lifeline. Any proposals which would adversely impact the health and well-being of the Districts' residents should be resisted by the Council.

9.0 Conclusions

9.1 The proposals detailed within the DTI Consultation document regarding the Post Office Network will have a major impact on the residents of the District, if as, anticipated the number of Post Office closures suggested is pursued.

9.2 There is a threat that some Post Offices within the District will be identified for closure as part of the Post Office Network review. However, until this work begins in Summer 2007, there is no way of identifying which areas may be affected.

9.3 Nevertheless, the Council has previously sought to resist any changes to the level of Post Office service provision within the District for those reasons identified in Sections 4 and 5 of this report. These reasons are as applicable today as they were in 2004 and 2006. Indeed, the District has an aging population which will become increasingly dependent on the Post Office for services in the future. It is therefore essential that the Council responds to the consultation exercise by re-affirming its previous stance that Post Office closures within the District be resisted and that the Government and Post Office Ltd look to increasing the range of services provided at Post Offices to ensure their long-term viability.

9.4 In re-affirming this stance, it is essential that work continue in the coming months to look at the longer-term implications for the Council of the Post Office proposals in terms of those issues identified in Section 6.3.

10.0 Recommendations

10.1 The Council is recommended to

- (1) Receive this report and note its contents.
- (2) Agree the Leader of the Council submits on behalf of the Council a formal response to the DTI's consultation exercise expressing the Council's continued resistance to Post Office closures within the District of Easington based on the factors highlighted in sections 4 and 5 of this report.
- (3) Agree that the response to the consultation exercise be copied to the District's two Members of Parliament.
- (4) Agree to the production of a press release stating the Council's position regarding the DTI's consultation exercise in respect of the Post Office Network.
- (5) Agree that further work be undertaken in respect of the implications of the proposals detailed within the DTI's consultation exercise in respect of the Post Office Network.

Background Papers

1. DTI The Post Office Network A Consultation Document Dec 2006
2. The Post Office Network Consultation Response Form
3. NAO Department of Trade and Industry Financial Support for Post Offices
4. Appendix 1
5. Appendix 1 a
6. Service Delivery Scrutiny Committee Minutes – 28 June 2004 and 6 March 2006