

Report to: **Community Services Scrutiny Committee**
Date: **11 March 2008**
Report of: **Report of the Scrutiny Support Manager**
Subject: **Post Office Ltd Network Change Programme -
Area Plan Proposal for Cleveland with South Durham and Richmond**
Ward: **Hutton Henry, Thornley and Wheatley Hill and Wingate**

1.0 Purpose of the Report

1.1 To advise the Committee of the Post Office Ltd Network Change Programme Area Plan Proposal for Cleveland with South Durham and Richmond and its implications for residents of the South of the District.

1.2 The report also invites the Committee to agree a way forward for submitting responses to the proposals within the Public Consultation period.

2.0 Consultation

2.1 Consultation has taken place with the District Councillors for the affected wards, the Executive Member for Regeneration, the Executive Member for Social Inclusion and Culture, the Executive Member for Neighbourhood Engagement and Communications, the Head of Regeneration and Partnerships, the Principal Regeneration Officer and the Marketing and Communications Manager.

3.0 Background

3.1 In March 2007, the District Council of Easington considered a report from the Executive Member for Social Inclusion and Culture which highlighted the Department of Trade and Industry (DTI) consultation document regarding the future of the Post Office Network. The document described the Government's future funding and structural plans for both urban and rural Post Offices.

3.2 Set against a backdrop of considerable financial pressure onto the network, the government proposed 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.

3.3 At that time, Post Office Ltd considered 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.

3.4 In recognition of the important social role that post offices play in communities across the country, the following minimum access criteria for the network was agreed 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.

3.5 In responding to the consultation document, the Leader of the District Council and the Scrutiny Management Board raised the following concerns in respect of the Network Review namely that: -

- They put at risk the basic service provision enjoyed by the residents of Easington particularly the more vulnerable.
 - The reforms could leave some areas within the District of Easington without an accessible post office. The position is exacerbated with the reduction in the number of banks and building society branches meaning that post offices are in many villages the only place to access cash points or to pay bills and receive benefits.
 - Internet access within the district is low with groups such as the elderly, infirm and low-income families accessing post office services directly from post office outlets.
 - The District of Easington suffers from significant social problems including high levels of poor health. The District is ranked the 8th most deprived in Britain on the 2004 Index of Multiple Deprivation with 14 out of 20 Wards being in the worst 10%. Given the levels of benefit claimants and pensioners with the District it is essential that these people can access their monies via the Post Office network currently available, as many do not have personal bank accounts. Any reduction in the number of post offices within the District will increase hardship amongst these groups due to the financial burden of using public transport to access alternative post office facilities that may be considerably further away.
 - Public Transport links with the District are also poorer than elsewhere particularly in the rural western part of the District where post office facilities are seen as the hub of the local community. Any reduction in the Post Office network within the District of Easington will result in many of the more vulnerable sections of the Community i.e. the elderly, infirm and low income families losing access to much needed services.
 - There are low levels of car ownership with the District of Easington which will also restrict the ability of residents to reach alternative Post Office facilities.
 - The District Council of Easington has long been recognised for its work in reducing poverty and increasing the ability of the more vulnerable residents to access benefits. It would be ironic if the work of the District Council and the Department for Work and Pensions in increasing benefit take up was negated by a reduction in the number of post offices where benefits can be accessed and an increase in travel costs for benefit recipients.
- 3.6 The District's Members of Parliament at that time were also lobbied for their support in retaining post office services within the District.
- 3.7 In response to the Government's proposed measures announced following the aforementioned consultation Exercise, Post Office Ltd has put into place a Network Change Programme. This involves the compulsory compensated closure of up to 2500 Post Office branches (out of a current Network of 14,300 branches).
- 3.8 To support the changes to the Network and put it on a more stable footing, the Government has proposed an investment package of up to £1.7bn.
- 3.9 Changes to the Network can only take place in accordance with the prescribed access criteria set out in Section 3.4 of this report.

4.0 Position Statement

- 4.1 In order to deliver the changes set out in the Response Document, Post Office Ltd has divided the UK into 47 areas ("Areas"). For each of these Areas Post Office Ltd will develop a local area plan proposal ("Area Plan Proposal") which will set out the changes that it proposes to make within it.
- 4.2 The Area Plan Proposal for Cleveland with South Durham and Richmond has been developed and the Council as formal consultees has received information on the changes proposed for Cleveland with South Durham and Richmond.
- 4.3 When developing the Area Plan Proposal for Cleveland with South Durham and Richmond, Post Office Ltd analysed a number of factors. These included the proximity of the Post Office branches proposed for closure to other nearby branches, the number of customers currently using a particular Post Office branch, the size and ability of nearby branches to absorb extra customers, and the commercial implications of any decision for Post Office Ltd.
- 4.4 Post Office Ltd has also taken into account obstacles such as rivers, mountains and valleys, motorways and sea crossings to islands in order to avoid undue hardship to customers. In addition, the availability of public transport, alternative access to key Post Office® services (such as cash withdrawals, bill payments, mail services), local demographics and the impact on local economies have all been considered.
- 4.5 Post Office Ltd has sought information from a number of external organisations and people, including sub-postmasters, local authorities and regional development agencies to assist with this process.
- 4.6 Postwatch, the independent consumer watchdog for postal services, has worked with the Post Office in assessing the options for change during the period leading up to the publication of the Area Plan Proposal. Post Office Ltd has also engaged with other stakeholders, including relevant MPs.
- 4.7 Correspondence has been received from Postwatch in respect of the proposals, a copy of which is attached to this report at Appendix A. Postwatch indicated that they have scrutinised the proposals and provided comments on the initial proposals. Postwatch are satisfied that the proposals meet the Government's minimum distance criteria.
- 4.8 However, Postwatch have raised concerns about access, DDA compliance, capacity and retail standards at a number of Branches to which customers will be expected to migrate. These issues have been raised with Post Office Ltd.
- 4.9 Postwatch Northern England wants customers and stakeholders to express their opinions about all of the proposals and have indicated their commitment to ensuring that the consultation process is meaningful.
- 4.10 Each Area Plan Proposal is subject to local public consultation to ensure that the views of local people are taken into account before any final decisions are made by Post Office Ltd.
- 4.11 The local public consultation on the Area Plan Proposal for Cleveland with South Durham and Richmond commenced on 12th February 2008. This will last for a period of six weeks and the closing date for feedback is 26th March 2008.
- 4.12 Subject to the conclusion of the local public consultation period and after consideration of the feedback received, no changes would be implemented before June 2008.

5.0 Impact on Area Plan Proposals upon the District of Easington

- 5.1 The Area Plan proposals for Cleveland with South Durham and Richmond affect the wards of Hutton Henry, Thornley and Wheatley Hill and Wingate. A list of the Post

Offices within these areas is attached at Appendix B. Of a total of 9 Post Offices within this area, 1 has been identified for closure namely the facility at Front Street, Hutton Henry.

5.2 Also attached at Appendix C, is the Post Office Ltd Branch Access report in respect of the Hutton Henry Branch which sets out, amongst other things: -

- The Opening hours of the Hutton Henry Branch.
- The total number of hours the Branch is open.
- The number of Customer Serving positions and the average number of customer sessions per week.
- The population age profile of the Branch within a mile of that location.
- Accessibility to the branch and the availability of other services at the Branch including Cash Points.
- Parking facilities and the location of the nearest Bus Stop.

5.3 The aforementioned access report also sets out the same information for two alternative Branches identified for this area – Front Street, Wingate and Front Street Hesleden. Additional information is included for these alternative facilities regarding: -

- The terrain between the Hutton Henry Branch and the two alternatives.
- The road distance between the Hutton Henry Branch and the two alternatives.
- The bus services in operation between the Hutton Henry Branch and the two alternatives.

5.4 In putting forward the proposals, Post Office Ltd has indicated that they have engaged with various stakeholders when preparing the Area Plan Proposal. They have consulted with Postwatch on the proposals and have contacted all local authorities in the area to provide information and views relevant to the factors that they were to consider.

5.5 During conversations with stakeholders, the Council has submitted details of regeneration plans for up to 2021. The Area Plan proposals takes account of the locations affected by these regeneration schemes, their likely implementation timescales and has regard for the needs of the communities affected by these changes.

6.0 The Way Forward

6.1 Having received the formal consultation documents regarding the Area Plan proposals, the Council needs to decide how it could best serve the communities affected by the proposals.

6.2 For those areas where the proposals relate to the retention of the existing facilities, the Council ought to publicise this fact and highlight the positive outcomes arising from the representations made in April 2007 in respect of the original consultation document.

6.3 In respect of the proposal to close the Post Office at Hutton Henry, it is suggested that a meeting be held with the local Ward Member together with appropriate Executive and Scrutiny Councillors initially to discuss the proposals. Thereafter, a meeting could be held at Hutton Henry to gauge the views of the Parish Council and local residents. The outcome feedback from this meeting would form the basis for a response to the proposals from the District Council.

6.4 If such a meeting was agreed, it would be intended to invite representatives of the Post Office as well as Postwatch to the meeting subject to their availability.

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 a press release identifying the Council's position and the proposals to engage with local residents on this issue would 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 Social Inclusion Implications

The proposals will impact upon the local population (480) of which 15% are above retirement age. The Branch Access Report details the Post Office proposals for alternative access to services.

9.0 Conclusions

10.0 Recommendations

- 10.1 The Committee is recommended to receive the report and consider the way forward as highlighted in Section 6 of this report.

Background Papers

1. Post Office Ltd. Network Change Programme Area Plan proposals for Cleveland and South Durham and Richmond.
2. Post Office Ltd. Network Change Programme Area Plan proposals for Cleveland and South Durham and Richmond - Appendix.
3. Report of the Executive Member for Social Inclusion and Culture to the District Council of Easington – 1 March 2007

4. Letter from Postwatch to Chief Executive dated 18 February 2008 entitled "Post Office Closure Programme – North East Plan 1, Cleveland with South Durham and Richmond.