

Report to: **Community Services Scrutiny Committee**

Date: **15 July 2008**

Report of: **Report of the Scrutiny Support Manager**

Subject: **Post Office Ltd Network Change Programme -
Area Plan Proposal for Tyne and Wear with Northumberland and Durham**

Ward: **Acre Rigg, Blackhalls, Dawdon, Dene House, Deneside, Easington Colliery,
Easington Village and South Hetton, Eden Hill, Haswell and Shotton, Horden
South, Hutton Henry, Murton East, Murton West, Passfield, Seaham Harbour
and Seaham North**

1.0 Purpose of the Report

- 1.1 To advise the Committee of the Post Office Ltd Network Change Programme Area Plan Proposal for Tyne and Wear with Northumberland and Durham and its implications for residents 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, Clerks to Parish Councils where closures have been identified and the Council's Head of Marketing and Communications.

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 Tyne and Wear with Northumberland and Durham has been developed and the Council as formal consultees has received information on the changes proposed for that area.
- 4.3 When developing the Area Plan Proposal for Tyne and Wear with Northumberland and Durham, 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 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.
- 4.8 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.
- 4.9 The local public consultation on the Area Plan Proposal for Tyne and Wear with Northumberland and Durham commenced on 1st July 2008. This will last for a period of six weeks and the closing date for feedback is 11th August 2008.
- 4.10 Subject to the conclusion of the local public consultation period and after consideration of the feedback received, no changes would be implemented before October 2008.

5.0 Impact on Area Plan Proposals upon the District of Easington

- 5.1 The Area Plan proposals for Tyne and Wear with Northumberland and Durham affect the wards of Acre Rigg, Blackhalls, Dawdon, Dene House, Deneside, Easington Colliery, Easington Village and South Hetton, Eden Hill, Haswell and Shotton, Horden South, Hutton Henry, Murton East, Murton West, Passfield, Seaham Harbour and Seaham North.

- 5.2 A list of the Post Offices to be retained within these areas is attached at Appendix A.
- 5.3 Arising from the Area Plan proposals, three facilities have been identified for closure, namely: -
- Easington Colliery - Lower Seaside Lane, Easington Colliery, SR8 3PF
 - Salters Lane – Salters Lane, Shotton Colliery, DH6 2PT
 - Yoden Road – Yoden Road, Peterlee, SR8 5DY
- 5.4 Also attached at Appendix B, are the Post Office Ltd Branch Access report in respect of the Branches identified for closure which sets out, amongst other things: -
- The Opening hours.
 - The total number of hours the Branches are 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.
- 5.5 The aforementioned access report also sets out the same information for the alternative Branches identified for those areas which are identified for closure.
- 5.6 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.
- 5.7 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 proposed closures, I have written to local District Councillors as well as the clerks to the appropriate Parish Councillors advising them of the Council's previously adopted stance of resisting any Post Office Closures and also inviting them to forward any representations that they may have to the District Council. Thereafter, those representations together with the feedback from this meeting would form the basis for a response to the proposals from the District Council.

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 in those areas where branches have been identified for closure. The Branch Access Report details the Post Office proposals for alternative access to services for these branches.

9.0 Conclusions

10.0 Recommendations

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

Background Papers

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