



DERBY CITY COUNCIL

Derby City Council

Scrutiny Management Commission

Review of Proposals to Close 16 Post Offices in the City of Derby

Report of the meeting held on 1 October 2004

Summary Document

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The following are not reproduced here. They are contained in the paper copy supplied to members

Exhibits A – F

Appendices:

1. Documentation available to the Commission
2. Minutes of the proceedings of the meeting held 1 October 2004

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Foreword

On 25 August 2004 Post Office Limited wrote to the City Council with its proposals for the future of the Post Office Network within Derby. These included the proposed closure of 16 branches and the opening of the one new. The closing date for the receipt of responses is 8 October 2004.

The first opportunity our 51 member Council had to discuss this major review was on 15 September 2004. A resolution was passed with the support of all political parties. Its provisions included an instruction that the Scrutiny Management Commission:

Conduct an urgent and rapid impact study on the possible implications of the proposals on local communities

The following day, I met officers and asked that as much detailed material and data be provided to the SMC members as the short time scale provided.

The Commission met on Friday 1 October to carry out a daylong review. The day was divided into 9 sections, enabling face-to-face interviews to be conducted with a wide range of stakeholders. The longest single section was allocated to the dialogue with Mr Gittens and Mr Panes the representatives of Post Office Limited. That was only right: to give them a full opportunity to explain the rationale behind the National Re-invention Programme and to give us an opportunity to raise the practical consequences for Derby's communities.

As the reader will see, the Commission arrived at 16 conclusions, but just the one recommendation. We are seeking a six month stay before final decisions are taken. There are significant flaws in Post Office Limited's proposals, which may actually mean that some Post Offices proposed for retention are not economically viable - leaving the fragility in the system that Network Reinvention is proposed to drive out.

There is also real potential to consider the co-location of post office services with the developing neighbourhood service centres, containing a range of public services under one roof, or with local housing offices. The Commission is requesting that our staff's time - plus that of partner agencies - be made available to work closely with Post Office Limited so that a really durable configuration can be proposed for Post Office services across Derby.

For a network described as half a century old, it does not seem at all excessive to ask for just six months to reinvent one for Derby for the 21st century.

Councillor Robert Troup
Chair, Scrutiny Management Commission

The Process

Six members representing all three political groups were present on 1 October 2004. They were:

- Councillor Robert Troup, Chair
- Councillor Repton
- Councillor Peter Berry
- Councillor Travis
- Councillor MacDonald *and*
- Councillor Lowe

All were present from the beginning to the very end of the day long meeting, ensuring that the conclusions and recommendation were evidence-based. In the days leading up to that Friday meeting, briefing notes and data on a range of consideration were despatched in instalments. That updated body of paper evidence is contained in the appendices to this report.

At the meeting itself, the Commission took direct evidence from the following:

Key Derby City Council Staff:

Chris Hegarty - on public transport issues
Rob Salmon - on land use planning, including housing developments
Lesley Walker and Sharon Jackson - on service access and neighbourhood bases. Ms Walker also read out a contribution from John Parnham on demographic information.

Murray Chapman - Derby Homes
Irene Shiels - Postwatch
Nick Gittens and Dan Panes - Post Office Limited

Robert Laxton MP
Councillor Balbir Samra - Council Cabinet Member
Harold Cox - Southern Derbyshire Pensioners Association

Voluntary sector panel:

Stephen Aspey - Disability Direct
Tony Walsh - Derby Race Equality Council

Wesley Thornton - National Federation of Sub-Postmasters
Glynis Sanderson - Derbyshire Chamber

Several petitions were also handed over during the course of the day. It is important to note that the timetable for responding to Post Office Limited precluded the Commission considering each of the 16 post offices on a case-by-case basis. For that same reason, direct evidence was not taken from any Councillor - though all the written comments were circulated to the Commission ahead of the meeting.

After the evidence gathering was completed, the Commission then deliberated on what conclusions to draw and recommendations to make.

Set out [in the paper version], after the agreed conclusions and recommendations, are a number of Exhibits. These are intended to offer *examples* of the various issues arising from Post Office Limited's proposals – they are not an exhaustive list.

Conclusions and Recommendation

- 1 The Commission has lacked the necessary time to be able to think laterally about the long term delivery of Post Office services across the City of Derby. Nor has the timescale allowed adequate communication between the Council and local stakeholders.
- 2 The increasingly fragile nature of the Post Office counter networks means Post Office Limited are right to have a managed rather than unmanaged - and piecemeal - programme of rationalisation, however, having a managed programme should not be used as a pretext for making hasty and pre-mature decisions on the future network.
- 3 The rate of migration of custom from closing Post Offices to the receiving post offices is not reliable and, based on the Commission's knowledge of community location, demographics and transport routes is very probably exaggerated. This means that some receiving Post Offices may not gain the level of additional custom to achieve the economic viability needed to secure their long-term future.
- 4 The Commission acknowledge that Post Office Limited have to operate within the constraint of Government - set business targets. However, that runs counter to other strands of public policy. Local and national transport planning is predicated on local accessibility to public services so as to reduce the need to travel. The closure of over a third of the post office network in Derby can only result in more and/or longer journeys - in fact there is a direct correlation between "successful" migration to receiving Post Offices and increased pollution and congestion.
- 5 Closure of Post Offices threatens the sustainability of neighbourhood centres - the small parades of shops which help the sustainability of local communities and which only to continue to be viable if there is a critical mass of retail activity. The loss of the local Post Office can be predicted to undermine neighbouring businesses, in turn undermining: the City of Derby Local Plan, long term regeneration strategies of the Local Strategic Partnership and the City Council's Objective of strong and positive neighbourhoods.
- 6 Post Office Limited was unaware that Derby Homes is consulting over proposals to close 10 of its 15 cash counters. Part of that proposal had been predicated on the local Post Offices providing one of the alternative means of payment. As this was not known to Post Office Limited, the business case for Post Office closures is accidentally, but seriously flawed, because it has not factored in the opportunities for "migration" from the Derby Homes cash counters to the local Post Office. A further flaw was that the full extent of new housing development had not been taken into account.
- 7 There was little evidence that Post Office Limited had been working in

partnership with other agencies. A letter sent on behalf of the city Council dated that 8 March 2004, offering means of developing a dialogue, has not been taken up. Had such an engagement occurred, the concerns, considerations and imaginative options raised at the 1 October meeting, may have been explored earlier and - perhaps – a radically different National Reinvention programme proposed for Derby.

- 8 Central government has not helped sub-post offices stay in business. Technological changes, such as the required use of personal identification numbers, are unwelcome to many post office users, particularly older and disabled people and ethnic minorities. This is partly a generational issue coupled with (self) exclusion from mainstream banking and that, hitherto, the Post Office has provided a “low – tech” environment. Added to this sub-postmasters have been denied some of the more lucrative transactions, with bigger crown offices and the Royal Mail taking key parts of what would have been local post office business. Additionally, in the run up to the direct payment of benefit into accounts, it seems clear that obstacles are being put in the way of people opting for the post office card account: it appears as the last option in associated publicity, Members of Parliament have referred to constituents’ difficulties opening the account. Last but not least, it was not made clear that by choosing to use a bank account for the receipt of benefit, the local post office could be put at risk.
- 9 Derby Homes indicated that it would wish to co-operate with Post Office Limited about future provision. The Commission believe that the City Council and Royal Mail also need to be part of that dialogue to deal with a mix of strategic and local issues eg the loss/retention of pillar boxes at or near Post Office branches proposed for closure.
- 10 Linked to conclusion 9, it became clear that whilst some Post Offices are not sited in the right place, given the demographic and commercial changes since they were first located, neither are several of the bus routes. There is a need for the City Council to broker discussions between Arriva, Trent Barton and Post Office Limited.
- 11 The mapping exercises indicate that in two neighbourhood renewal areas the Post Office Limited proposals may fail to deliver on the stated policy of the affected population being within half a mile of a retained Post Office.
- 12 The City Council has recently adopted a policy of establishing multi-agency neighbourhood bases in the most deprived areas; the *presence* of a local Post Office influenced the choice of sites for one of the first, at Browning Circle and the *loss* of the Post Office may undermine the viability of the initiative.
- 13 Mobile services or the use of satellite offices has not been considered by Post Office Limited. That was because these options were seen as having a retarding effect on the migration of custom to receiving offices.

However, for the reasons in conclusion 3, above, some isolated communities will not migrate their business and mobile/satellite options could provide a necessary service with minimal impact on the business of receiving offices.

- 14 Bob Laxton MP offered to make representations to senior government figures and to Post Office management, including options to lessen the impact of the proposals and seek to secure as comprehensive and accessible Post Office Service, including the possibility of a Greater Derby mobile service for isolated communities.
- 15 It is apparent that the money made available from Central Government is for modernising rather than subsidising the Post Office network. It seems unlikely that Government would offer subsidies to support unviable Post Offices.
- 16 In its proposals for Derby, Post Office Limited has not given enough weighting to issues like topography and gradients, which are as important as distance.

Recommendation - a) Post Office Limited be requested to defer a final decision on National Reinvention for the City of Derby for a six month period to enable the City Council, Derby Homes, Local Strategic Partner Agencies, Royal Mail and Post Office Limited to work jointly to give full and active consideration to serious alternatives to closure, including alternative means of local service delivery: i) co-location of Post Offices in local housing offices or vice versa or shared use of neighbourhood bases, ii) the investigation of a secure mobile facility for the Greater Derby area, iii) satellite services provided by a full time peripatetic Post Master / Mistress visiting various sites, such as community halls, on a regular basis and b) that the Council's Leader, Deputy Leader and Opposition Leader jointly seek an urgent meeting with Post Office Limited to take this proposal forward.