

EAST AYRSHIRE COUNCIL

CABINET – 27 AUGUST 2008

POST OFFICE LTD : NETWORK CHANGE PROGRAMME AREA PLAN PROPOSALS : AYRSHIRE INVERCLYDE, LANARKSHIRE & RENFREWSHIRE

Report by Depute Chief Executive/ Executive Director of Corporate Support

1 PURPOSE OF REPORT

- 1.1** To seek Cabinet approval of a submission to Post Office Ltd in terms of a formal response to the current consultation on the Network Change Programme, as it affects East Ayrshire.

2 BACKGROUND

- 2.1** Due to changes in the range of products which the Post Office offers and hence in its usage patterns, the Post Office network nationally is currently losing £3.5 million per week from its trading activities. It has been agreed by Government that to halt this loss and transform the network into a business which is profitable and sustainable in the long term, a “Network Change Programme” will be undertaken, resulting in the compulsory closure of a total of 2,500 Post Offices throughout the UK, as they are taken out of the network. This number represents almost 18% of the Post Offices in the UK.
- 2.2** A total of 500 “Service Points”, to be known as “Outreaches” are being introduced to mitigate the effect of some of the closures. The Government is supporting this “Network Change Programme” with an investment funding package of £1.7 billion.
- 2.3** This exercise is being done on a programmed geographical basis of 45 areas throughout the United Kingdom. Currently Ayrshire (within the same Area Plan as Lanarkshire, Inverclyde and Renfrewshire) is one of the areas under consideration.
- 2.4** The consultation period for the proposals in Ayrshire commenced on 22 July 2008 and runs for 6 weeks, closing on 1 September 2008.
- 2.5** Since the announcement of the Post Office Ltd proposals, locally initiated and organised public meetings were held in the communities affected.
- 2.6** The Leader of the Council hosted a consultation meeting on 13 August 2008, which was attended by representatives of Post Office Ltd, Elected Members representing the communities affected by the proposed closures and representatives of Bonnyton Community Council. A copy of the Notes of that meeting is attached, for information.

2.7 East Ayrshire Council has expressed its opposition to the closure of any Post Offices in the Council area and accordingly proposes to make a formal representation in terms of the consultative process.

3 BASIS OF THE REVIEW OF THE POST OFFICE NETWORK

3.1 The review applied to each Post Office being considered in the review is as follows :

- 99% of the UK population to be within 3 miles of their nearest PO;
- 99% of total population in deprived urban areas (in Scotland taken as 15% of data zones) to be within 1 mile of the nearest PO
- 90% of the UK population to be within 1 mile of their nearest PO;
- 95% of the total urban population (communities of 10,000 or more in a continuous built up area) to be within 1 mile of their nearest PO;
- 95% of the total rural population (communities not covered by the above definition) to be within 3 miles of their nearest PO;

3.2 Within these broad criteria, the PO has also taken cognisance of :

- The proximity of branches proposed for closure to other branches;
- The number of customers currently using a PO branch;
- The size and ability of nearby branches to absorb other customers;
- The availability of public transport;
- Alternative access to key PO services;
- Local demographics;
- Impact on local economies; and
- The commercial implications of individual proposals to the PO;

4 OVERVIEW OF NETWORK AMENDMENT PROPOSALS FOR EAST AYRSHIRE

4.1 The current network of Post Offices in East Ayrshire extends to a total of 32 Post Office facilities, of which it is proposed that 3 be removed from the network – 1 by complete closure and 2 by closure of the existing facility and the provision of an amended service on an “out-reach” basis.

4.2 “Outreach” facilities take one of four formats :

4.2.1 “Partner Service”, where a range of post office services (often a restricted range of services) is provided by another organisation in their premises; and

4.2.2 “Mobile Service”, where a mobile Post Office provides a service in a community, on a pre-arranged basis of timing and duration of visits and the location in which the van will be sited

4.2.3 “Hosted Service”, similar to “Mobile Service” but the actual service is hosted within premises e.g. a community hall/centre or other accommodation.

4.2.4 “Home Service”, this service is provided in very rural areas e.g. the Highlands and provides a service to very small isolated communities where individuals can telephone a contact point for required service.

4.3 The detailed proposals are shown in the following table :

| Current Post Office | PO Proposal | 1st Alternative Branch | 2nd Alternative Branch |
|--|---|--|--|
| Bonnyton Munro Avenue, Kilmarnock | Complete closure | Crown Office 71/73 John Finnie Street | Knockinlaw 44 Morven Avenue |
| Ochiltree 108 Main Street | Closure and provision of “partner service” | Auchinleck 191 Main Street | |
| Rankinston 2A Kerse Terrace | Closure and provision of “mobile service” | Drongan 17 GlenCraig Street | |

5 BONNYTON POST OFFICE, KILMARNOCK

5.1 In the proposals for the closure of the Bonnyton Post Office, published by Post Office Ltd, the following demographic information in columns 1 and 2 was included in the “Branch Access Report”, with information based on the current electoral wards of East Ayrshire being shown in column 3 :

| DESCRIPTION | PO Figures (within 1 mile of the branch) | EAC Figures (within Electoral Ward 3) |
|------------------------------|---|--|
| Population served | 13,276 | 16,020 |
| Population of working age | 59% | 62% |
| Population of retirement age | 22% | 22% |

5.2 Some aspects of the comparative information presented in respect of Bonnyton Post Office and the alternative options are as follows :

| Aspect | Proposed Closure Branch Bonnyton | 1st Alternative Branch 71/73 John Finnie St | 2nd Alternative Branch Knockinlaw |
|--|---|---|---|
| Opening Hours (pw) | 37.5 | 45.5 | 55 |
| Customer sessions (pw) (Transactions) | 750 - 999 | 3,500 - 3,999 | 1,000 - 1,499 |
| Distance from Closing Branch | | 0.9 miles | 0.9 miles |
| Bus service frequency | | Every 10 minutes | Hourly |
| Bus journey length | | 3 minutes | 3 minutes |

6 RANKINSTON POST OFFICE

6.1 Some aspects of the comparative information presented in respect of Bonnyton Post Office and the alternative options are as follows :

| Aspect | Proposed Closure Branch Rankinston | Proposed Outreach Service Mobile Service | 1st Alternative Branch Drongan |
|---------------------------------------|------------------------------------|--|--------------------------------|
| Opening Hours (pw) | 19 | 8 | 37.5 |
| Customer sessions (pw) (Transactions) | 100 - 199 | 3,500 - 3,999 | 1,000 - 1,499 |
| Distance from Closing Branch | | 200 yards | 3.1 miles |
| Bus service frequency | | | Hourly |
| Bus journey length | | 3 minutes | 9 minutes |

7 OCHILTREE POST OFFICE

7.1 Some aspects of the comparative information presented in respect of Ochiltree Post Office and the alternative options are as follows :

| Aspect | Proposed Closure Branch Ochiltree | Proposed Outreach Service Partner Service | 1st Alternative Branch Auchinleck |
|---------------------------------------|-----------------------------------|---|-----------------------------------|
| Opening Hours (pw) | 37.5 | 93 | 37 |
| Customer sessions (pw) (Transactions) | 300 - 399 | | 1,000 - 1,499 |
| Distance from Closing Branch | | 300 yards | 3.7 miles |
| Bus service frequency | | | Every 2 hours |
| Bus journey length | | | 9 minutes |

8 SUMMARY OF ISSUES RAISED

8.1 Bonnyton Post Office

- frequency and routing of bus services – Post Office Ltd undertook to review the information used in the development of their proposals;
- it was noted that there are proposals for the development of 1700 new houses within the Bonnyton area. Detailed information about timescales and types of housing will be provided to Post Office Ltd;
- recognition that there is a significant number of both elderly people and people in receipt of benefits, resident in the area. Detailed information will be provided to Post Office Ltd; and
- recognition that the Bonnyton Post Office is used by local businesses – consultation will be done with local businesses and resulting information presented to Post Office Ltd.

8.2 Rankinston Post Office

- proposed location of the Post Office van – the Post Office proposal is that it be sited at the top of the hill which would be unsuitable for elderly or infirm people;
- concern that winter weather conditions in the area could prevent the Post Office van from reaching the village at the scheduled times. Information to be provided to Post office Ltd on road closures, due to weather conditions;
- concern about the cost and inconvenience to residents of Rankinston of travelling by public transport to the alternative Post Office facilities, in the event that they are unable to use the Post Office van on its scheduled visits;
- Post Office Ltd will review the situation and give consideration to providing an outreach facility within the existing shop location, thereby generating some income for the shopkeeper and contributing to the viability of the shop, which is an extremely important local resource.

8.3 Ochiltree Post Office

- although it was accepted that there is an issue of the ongoing viability of the Post Office, there is concern about the requirement to relocate an “outreach facility” to another location;
- concern about public safety issues at the proposed new location;
- Post Office Ltd will review these matters.

9 CONCLUSION

- 9.1** The Network Change Proposals for the Bonnyton Post Office in Kilmarnock will result in the complete closure of this facility in the community and the requirement for local people to travel to post office facilities outwith their community area.
- 9.2** The Network Change Proposals for the Post Offices in both Ochiltree and Rankinston will result in the continuation of the post office facility in both communities, albeit on an operational basis which is less than is currently available and which does not meet fully, the aspirations of the local community.
- 9.3** Reference has been made under paragraphs 2.2 and 4.2 to the introduction of “Outreach Services” to mitigate the effect of Post Office closures. The Cabinet may wish to include in its representations to Post Office Network that in the event of the closure of Bonnyton Post Office, consideration be given to the introduction of either a mobile or hosted Outreach Service. It is recognised that the outreach facilities will provide a reduced service but Cabinet may consider that it is more important, in the interest of the needs of the community, that some form of post office service is maintained within the area.

10 POLICY IMPLICATIONS

- 10.1** The proposed closure of Post Offices in vulnerable communities within East Ayrshire is of concern to the Council and is contrary to the vision of the East Ayrshire Community Plan, which states that "East Ayrshire will be a place with strong vibrant communities where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people's needs."

11 FINANCIAL, LEGAL AND PERSONNEL IMPLICATIONS

- 11.1** There are no direct financial, legal or personnel implications for East Ayrshire Council arising from the Post Office Ltd's current Network Change Programme.
- 11.2** If any future agreement is secured with Post Office Ltd to operate a post office facility on a hosted outreach basis from an operational property of East Ayrshire Council, it is expected that such a proposal would have limited implications for the Council other than providing an appropriate time slot within a suitable community facility e.g. Bonnyton Community Centre. However, if Post Office Ltd were prepared to offer such a facility any significant financial, legal or personnel implications would require to be reported to Cabinet before any agreement was reached.

12 RECOMMENDATION

- 12.1** That the Cabinet :

- (i) approves this report and submits it to Post Office Ltd, together with the Notes of the Meeting held on Wednesday 13 August 2008, as its formal response to the public consultation;
- (ii) empowers officers of the Council to submit further detailed information to Post Office Ltd in support of this representation, before the close of the formal consultation period; and
- (iii) include in its representations to Post Office Network that in the event of the closure of Bonnyton Post Office, consideration be given to the introduction of either a mobile or hosted Outreach Service and noted that any significant financial, legal or personnel implications would be reported to Cabinet before any agreement was reached.

ELIZABETH MORTON

Depute Chief Executive / Executive Director of Corporate Support

Jrs/21.08.2008

BACKGROUND PAPERS - NIL

For further information please contact JOHN SPOONER, Business Development and Tourism Manager at Council Headquarters on (57) 6143.

Implementation Officer : JOHN SPOONER

EAST AYRSHIRE CONSULTATION ON POST OFFICE CLOSURES

NOTE OF MEETING HELD ON WEDNESDAY 13 AUGUST 2008 AT 1000 HOURS IN COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

REPRESENTING EAST AYRSHIRE COUNCIL: Councillors Douglas Reid (Chair), Tom Cook, Barney Menzies and Elaine Dinwoodie; and Bill Walkinshaw, Head of Democratic Services; John Spooner, Business Development and Tourism Manager; and Sharon McHarg, Administrative Officer.

REPRESENTING BONNYTON COMMUNITY COUNCIL: Rebecca Neil and Elspeth Allanson.

REPRESENTING POST OFFICE NETWORK LIMITED: Connie Hewitt, External Relations Manager; and Sally Buchanan, Network Development Manager Scotland.

APOLOGY: Iain Linton.

WELCOME

1. Councillor Reid welcomed everyone to the meeting and made introductions.

BACKGROUND

2. Sally Buchanan outlined the reasons for the proposed Post Office closures in East Ayrshire, details of which had been circulated. They further confirmed that the Post Office was currently losing in the region of £3.5m per week and the aim was to reduce the losses and as a result a review of existing Post Office services throughout the UK required to be carried out.

SELECTION PROCESS

3. Sally Buchanan advised that there were primarily two stages to this decision-making process:-

Stage 1

- Post Office Ltd required to look at every branch within their 45 area plans in the UK made up of UK parliamentary constituencies, and apply existing government approved access criteria which filtered out branches that could not be considered for closure.

Stage 2

Post Office Ltd would score each remaining branch in respect of the undernoted criteria:-

- customer usage;
- distance from the nearest branch;
- size in relation to other branches; and
- financial savings.

Post Office Ltd staff would then carry out site visits to check out essential information such as:-

- car ownership;
- terrain;
- bus service/access; and
- where was the nearest branch located and would this branch be able to cope with extra business.

Following this exercise there would be a further reduction in branches identified for closure and subject to a public consultation exercise.

DISCUSSION

BONNYTON

4. Bus Service

Rebecca Neil highlighted that information contained within the consultation document in respect of bus services was inaccurate as follows:-

- reference had been made to a No 38 bus service which did not exist;
- Stagecoach Service 2A did not go both ways through the Bonnyton area; and
- Service 11 was approximately every 16-20 minutes and not 10 minutes as reported by Post Office Ltd and Service 21 was an hourly service.

Sally Buchanan noted the new information and confirmed that she would check the information and ensure that the correct information was taken into account in the final decision making process.

Population

The Chair raised concerns about the growing population and advised that 1,700 new build had been identified within the Bonnyton area.

Connie Hewitt highlighted that the timescales for the new builds was crucial and that Post Office Ltd could only consider new builds which would be habitable within the next year. She further indicated that it would also be useful to know the type of housing being planned (e.g. private, social landlord etc).

It was agreed that as much information as possible would be forwarded to Post Office Limited.

Elderly/Disabled/Unemployed

The Chair further highlighted that there was a significant concentration of elderly people residing within the Bonnyton area. In addition, he further advised that there was also a significant number of people residing in the area who were in receipt of benefits and the closure of the Post Office would have a serious impact on them.

It was agreed that as much information as possible on the number of individuals, included within the above groupings, would be forwarded to the Post Office Ltd.

Local Businesses

The Chair further intimated that local businesses used the local Post Office and the importance of this facility to the local businesses may not be accurately reflected within the statistics held by Post Office Ltd.

It was accepted that the potential economic impact of the proposed closure was an important element to capture in the ongoing consultation process. The Post Office representatives confirmed that they would require evidence to substantiate the impact and it was recognised that there was a need to encourage local businesses to make submissions to the Post Office Ltd regarding the proposed closure and the effect it would have on their business.

It was agreed that consideration be given as to how the Council could assist this process.

Sally Buchanan confirmed that the information which would be considered, was any relevant information regarding the community or local business community within a one mile radius (by road) of the branch in question.

Profit/Losses

Sally Buchanan further advised:-

- that at the conclusion of the present review process the Post Office Network would have 12,000 Post Offices throughout the UK (“the Network Change Programme” will result in the compulsory closure of 2,500 Post Offices throughout the UK);
- of the 12,000 remaining Post Offices, 8,000 would still be loss making businesses and on average, each branch was making a loss in the region of £18,000 per annum; and
- in relation to the retail element of the branches, whilst the retailers may be making a profit, this was not connected to the Post Office.

Staffing and Services

- Sally Buchanan advised that if Bonnyton Post Office was to close, the staffing facilities at John Finnie Street Post Office would be reviewed;
- Following an enquiry about the withdrawal of certain services from the Post Office Network, representatives confirmed that it was Government policy to provide increased choice to the public, e.g. 8 out of 10 pensioners now received their pension via a bank;
- Sally Buchanan confirmed that the Post Office was required to be open for a core number of hours per day however branches may open for additional hours providing they met the core criteria for opening hours;
- Post Office representatives noted the concerns raised regarding the unsatisfactory access to the Sorting Office in Queen’s Drive, in particular that there was insufficient public transport and involved two buses together with a long walk along a road without a pavement;
- Sally Buchanan confirmed that the closure or part closure voluntarily of other Post Offices could not be utilised to offset the closure of the Bonnyton Post Office; and

- Post Office representatives undertook to investigate concerns raised about the helpline telephone number provided within the Post Office consultation documentation as contacts experienced by the Community Council representatives had not been helpful.

RANKINSTON POST OFFICE

5. The Post Office representatives outlined the considerations that were made when introducing outreach services such as mobile units and confirmed the days of operation, namely:- Monday, Tuesday, Thursday and Friday. In addition, they explained that the Mobile Service would cover an additional four villages within the area which ensured the viability of the service.

Councillor Dinwoodie raised concerns in relation to the proposal to relocate the Post Office at Rankinston to be replaced with an outreach service in the form of a mobile van to be relocated at 83 Kerse Terrace which was at the top of the village and in particular, highlighted that:-

- Rankinston was an area of high deprivation, low car ownership, a large number of people were in receipt of benefits and there was a significant number of elderly people;
- access to the new site was up a steep hill which was particularly unsuitable for the elderly and the infirm;
- if members of the community missed the daily two hour slot (8 hours per week) for the Mobile Post Office, then if they required an urgent service (e.g. collection of benefits or purchase of electricity key cards) they would have to travel at a cost in the region of £2.70 for a return bus ticket journey;
- within the area of Rankinston, due to severe weather in the winter, there would be days when the service could not be accessed due to road closures; and
- there were concerns that elderly and young children would be subject to inclement weather while waiting to be served at the mobile unit due to limited space.

Following discussion it was agreed that:-

- (i) **figures in relation to the frequency of road closures within the area would be forwarded to the Post Office Ltd; and**
- (ii) **that Sally Buchanan would investigate the possibility of providing an outreach postal service over 8 hours per week that would be hosted within the local shop within which the full-time post office service was presently provided. This would be a preferred proposal as opposed to the mobile unit and would provide added income to the local shop and support the sustainability of the local shop within the community. If this was not possible, the Mobile Unit should be located outside the shop premises.**

OCHILTREE POST OFFICE

6. Councillor Menzies intimated that there appeared to be some confusion on the part of the existing Postmaster as to the intended proposals for Ochiltree. Councillor

Menzies understood that the existing Postmaster may still be willing to provide a revised Post Office service from existing premises. Post Office representatives confirmed that Ochiltree proposals had always involved an outreach partnership proposal as consulted upon. The Post Office representatives confirmed that as far as they were aware the proposals had been intimated correctly to the existing Postmaster.

Councillor Menzies highlighted:-

- his concerns in relation to public safety regarding the relocation of Ochiltree Post Office and reported that over the last three years, a total of 12 accidents had occurred at the road junction adjacent to the new shop location; and
- that the local Police did not support the move to the new location on the grounds of public safety.

Following discussion it was noted that:-

- the new location was DDA compliant, however, it was considered that the existing Post Office premises should, if required, be able to accommodate reasonable alterations to assist access; and
- the existing Postmaster was keen to provide a Post Office service within the existing premises.

The Post Office representatives undertook to consider the points raised.

CONCLUSION

7. The Chair:-

- thanked everyone in attendance for what he considered had been a courteous and informative meeting and confirmed that the information requested would be forwarded to the Post Office Ltd as soon as possible;
- reaffirmed that East Ayrshire Council did not support any Post Office closures and the reduction in Post Office services within its community;
- reiterated that many people in the areas in question were very vulnerable and were highly dependent on Post Office services; and
- that the Cabinet would be considering at its next meeting the Council's submissions in respect of the proposals.

Connie Hewitt stressed that in order to make a successful case, it was important to provide specific details in terms of statistics etc in relation to the impact that the closures would have on an area such as care homes, professional carers, sheltered housing complexes etc. In addition, the submission should identify the consequences to such people, e.g. carers if the Post Offices were closed.

It was agreed that, as far as possible, information regarding statistics on carers, sheltered housing complexes, homes, elderly and local businesses who would be affected by the closures, be forwarded to Post Office Ltd.

The meeting terminated at 1110 hours.