

## **EAST AYRSHIRE COUNCIL**

**KILMARNOCK CENTRAL LOCAL COMMITTEE – 20 JANUARY 2004**

### **PROPOSED CLOSURE OF LOCAL POST OFFICE TITCHFIELD STREET, KILMARNOCK**

#### **Report by Director of Development Services**

## **1 PURPOSE OF REPORT**

- 1.1** To advise the Committee of the outcome of discussions with the Post Offices Ltd about the proposed closure of the branch Post office at 48 Titchfield Street, in Kilmarnock..

## **2 INTRODUCTION**

- 2.1** At its meeting on 23 October 2003, the Committee considered a report on the intention announced by Post Offices Ltd to close the Post Office at Titchfield Street Kilmarnock.
- 2.2** The Committee agreed to make written representations and also to seek an early meeting with representatives of Post Offices Ltd to share local concerns about the proposed closure.
- 2.3** The meeting was held on 24 November 2004. Representatives of the Local Committee met with Bob King, External Relations Manager of Royal Mail Group plc and the meeting was chaired by Councillor Brian Reeves.

## **3 CONSIDERATIONS FOR POST OFFICES LIMITED**

- 3.1** As noted in the previous report to the Committee, the review of urban post offices is within the context of the 3-year “Network Re-invention Project” currently being undertaken by the Royal Mail Group, with the aim of returning the business to profitability.
- 3.2** Under the “project”, it is planned to reduce the network of urban post offices by 10%, which will represent approximately 3,000 post offices throughout the UK.
- 3.3** The review will be conducted on an “area wide basis” and it is intended that the review of the post offices in East Ayrshire will be undertaken in May 2004.
- 3.4** In the light of that review, the following points are important from the point of view of Post Offices Limited :

- 3.4.1** As an initial element of the project, all Sub-Post Masters were offered the opportunity to indicate to Post Offices Limited if they would seek to give up their post offices, on the basis that they would receive a compensation package for doing so;
- 3.4.2** The response from the operator of the Titchfield Street Post Office was that he was interested in giving up his business and accepting a compensation package;
- 3.4.3** In response to this indication, Post Offices Limited examined the trading record of this particular post office, which showed a picture of a declining business, in that a substantial proportion of the transactions are “benefits”. The level of decline in business over the last trading year for Titchfield Street Post Office was significant and this is a continuation of a trend from previous years;
- 3.4.4** This is particularly significant because since April 2003, the UK Government has progressively been moving towards the payment of all benefits directly into bank accounts and in time payment through the traditional means of the Benefits Books will cease;
- 3.4.5** Post Offices Limited will only allow the continuation of a Sub-Post Office with a new operator, where it is demonstrably financially viable;
- 3.4.6** As there is a compensation payment currently available to outgoing post masters, the EU State Aid Rules prohibit the continuation of a post office business within the same premises, even though it is run by another operator.

## **4 LOCAL CONSIDERATIONS**

- 4.1** The representatives of the Local Committee took the opportunity to raise various issues and concerns with Bob King, as follows :
  - 4.1.1** The alternative Post Office branches available to local people are at John Finnie Street and the Foregate, both of which are some distance for pedestrians from the branch at Titchfield Street ;
  - 4.1.2** The alternative post office branches on the town centre are not readily accessible by public transport, particularly for people with mobility problems ;
  - 4.1.3** The branch Post Office at Titchfield Street serves a local area in which there is a high proportion of elderly people – over 21% of the local residents are aged over 65, compared with a Scottish average of 16%;
  - 4.1.4** Notwithstanding the provisions of the EU State Aid Rules, there was discussion about the possibility of the establishment of another post office within the general locality of Titchfield Street. The response from

Bob King was that is something which could be considered, but only in the light of financial viability of any post office operation.

## **5 OUTCOME OF THE MEETING**

- 5.1** The views expressed by members of the Local Committee were noted, but in the context of the trading position and financial viability of the post office operation at Titchfield Street, the proposed closure will take place on 14 January 2004.

## **6 POLICY IMPLICATIONS**

- 6.1** The proposed closure of the Post Office at Titchfield Street will mean the loss of a valuable community facility which would not accord with the objectives of the East Ayrshire Community Plan.

## **7 FINANCIAL, LEGAL, AND PERSONNEL IMPLICATIONS**

- 7.1** There are no financial, legal, or personnel implications for the Council.

## **8. RECOMMENDATION**

- 8.1** That the Committee notes the outcome of the consultation process, as detailed in this report.

**STEPHEN CHORLEY**  
**Director of Development Services**  
16 December 2003/jrs

**BACKGROUND PAPERS - Nil**

**For further information please contact JOHN SPOONER, Business Development  
Manager at Council Headquarters on telephone 576143.**

**Implementation Officer : JOHN SPOONER**