

**REPORT TO:** Community Planning Implementation Group

**MEETING DATE:** 4 September 2008

**BY:** Chief Executive, East Lothian Council

**SUBJECT:** Post Office Closures in East Lothian

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## **1 PURPOSE**

- 1.1 To alert and update partners to the local implications of the Post Office's Network Change proposals: to consider options: and to encourage partners to engage in the forthcoming consultation.

## **2 RECOMMENDATIONS**

- 2.1 That partners consider the implications for local communities of the Post Office's Network Change proposals
- 2.2 That individual partners engage in the forthcoming public consultation
- 2.3 That CPIG itself considers whether to make a submission. If so, CPIG will require to adopt an agreed position on the Post Office's proposals.

## **3 BACKGROUND**

- 3.1 The background to the Post Office's Network Change programme is contained in a briefing note which was prepared for the Council's Administration in June. (see Appendix 1)
- 3.2 The detailed statistical and contextual profiles referred to in para 4.4 of Appendix 1 have now been submitted to the Post Office Review team.
- 3.3 The Post Office's proposals for SE Scotland were not available at time of writing. These are expected to be published on **19 August**, and will be tabled at the CPIG meeting. However, an unconfirmed report in The Herald newspaper named West Barns, Elphinstone, Gifford, Stenton, Innerwick, Drem and Garvald as being under threat.
- 3.4 A local briefing for councils affected by the SE Scotland phase of the Network Change programme, will take place at CoSLA on 29 August.

- 3.5 The Post Office has now published a guide which has been developed jointly with Essex County Council. *“Councils who want to help run local post office services now have a set of guidelines on how to go about it. Post Office Ltd has been encouraged by the government to look at how to respond to local authorities who want to save branches from closure.”*

#### **4 POLICY IMPLICATIONS**

- 4.1 Whilst it is of course impossible to be definitive about the policy implications before the publication of the Post Office’s proposals, experience from elsewhere in Scotland suggests that several fragile rural communities are likely to be affected in East Lothian.

#### **5 RESOURCE IMPLICATIONS**

- 5.1 Financial - There are no direct financial implications of this report.
- 5.2 Personnel - There are no direct personnel implications of this report.
- 5.3 Other -

#### **6 BACKGROUND PAPERS**

- 6.1 Post Office and Essex County Council Guide to Supporting Post Offices  
<http://www.lga.gov.uk/lga/aio/772501>

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*This is a very slightly modified version of a briefing note which was considered by a group of Elected Members and council officials in early June, when East Lothian Council began to develop its strategy on the Post Office Network Change Programme*



**REPORT TO:** POST OFFICE REVIEW GROUP

**MEETING DATE:**

**BY:** Corporate Policy Manager

**SUBJECT:** Post Office Closure Programme

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## **7 PURPOSE**

7.1 This briefing note outlines a number of issues surrounding the Post Office Limited (POL) closure programme.

## **8 RECOMMENDATIONS**

8.1 That the Administration clarifies its policy stance on the issues highlighted in this report. In particular

- The level of commitment to be made in compiling a dossier of contextual evidence (paras 4.2-4.4)
- POL's Outreach Service (para 5.1)
- Social Enterprise model (para 5.3)
- Subsuming a post office function within ELC Customer Services (para 5.4)
- A greater role for CoSLA in co-ordinating information (para 6.1)
- The reported difficulty some councils have reported in obtaining detailed business information on individual post offices (para 7.1)

## **9 BACKGROUND**

9.1 Members will be well aware of the Network Change programme of post office rationalisation which has been rolling out across Scotland on a regional basis since Autumn 2007.

9.2 This issue has periodically featured on CoSLA agendas (principally the Regeneration & Sustainable Development Exec Group).

- 9.3 Proposals affecting East Lothian were due to be published in late July as part of the Edinburgh and South East Scotland phase (the last part of Scotland to be covered). After representations by this and neighbouring councils, POL has agreed to adjust its 6 week public consultation, to begin 19 August, which will avoid school holidays.
- 9.4 The full rationale behind the Network Change programme can be expected to feature in the public consultation and is therefore not included in this note. However, for background, a copy of presentations given by POL and Postwatch to interested Elected Members and officers at the start of this process (August 2007) have been placed in the Administration's shared folders. A summary of POL's case for the Network Change programme appears on its website at <http://www.postoffice.co.uk/portal/po/jump2?catId=19100175&mediaId=57600693&campaignId=SNC01A>
- 9.5 Members should note that Postwatch – which has a statutory duty to “protect, promote and develop the interests of all customer of postal services in the UK”, and in particular “vulnerable individuals” – has had a clear position of accepting that change is inevitable, and indeed, desirable. PostWatch believes that a national network of secure post offices should be established, rather than allowing decisions on the future of local post offices to be based on the personal decisions of individual post masters/mistresses.

## 10 INITIAL PREPARATION

- 10.1 The Council has been offered the opportunity – in advance of the public consultation – to put to the local POL Review Team “any further information that you may have regarding access to future PO services in this area”. [*The meeting subsequently took place 25 June*]
- 10.2 The Council must decide how much effort such a submission justifies. The most recent CoSLA report notes bluntly that “this consultation is essentially a sham”. With a fixed number of closures across the UK being sought, a reprieve for any specific PO simply means that it will be replaced in the closure programme by another.
- 10.3 It is suggested however that the Council will wish to prepare a significant dossier of evidence to submit to POL. It is vital that the council is seen to be actively resisting any closures, and demonstrating strong civic leadership.
- 10.4 Such a dossier will require input from many services which hold data on specific at risk communities. The following list is not definitive
- Age profiles, esp incidence of elderly (*Environment*)
  - Public transport links, car ownership (*Environment*)

- Evidence of numbers of vulnerable individuals (eg recipients of home care/support) (Community)
  - Other access barriers (steep hills, busy roads etc) (Members/Environment)
  - Likely impact on other local businesses (CX)
  - Numbers, value and costs of various Council transactions carried out by individual POs. (F&IT)
- 10.5 **The Administration may also wish to consider how best it can mobilise local communities** to participate in the consultation process (eg via community councils, ELC website, Community Planning partners)

## 11 ALTERNATIVE BUSINESS MODELS

- 11.1 POL sees a considerable extension of its Outreach Service as being one means of retaining a (limited) service in areas affected by closures. **Members' views on the desirability and practicality of any/all of the four variants of the Outreach model are sought**
- **Partners** – where a facility is located within a private business (hotel, pub, restaurant, shop, supermarket)
  - **Mobile** – a similar approach a mobile library service
  - **Hosted** – where facilities are located with public buildings (village or church halls, community centres etc)
  - **Home** – where service is delivered from a private house.
- 11.2 The Network Change programme has been prompted by the long standing and widespread failure of many POs to generate (financial) profits. Much of the public concern about the closures appears to be based on wider social cohesion and sustainability terms, which require a completely different business model. (Oddly POL does include in its material a comment about “governmental recognition of social role of the network – ongoing support of social network over and above commercial levels” though this does not appear to be developed further.)
- 11.3 The issue of Post Office closures regularly features at Holyrood's Parliamentary Questions (notwithstanding that this is a reserved matter where BERR leads). After initial fairly short replies supporting opposition to closures, and rejecting direct financial aid from the Scottish Govt (a stock reply for many months), John Swinney's latest reply (22 May 2008) to Alison McInnes MSP was much more substantial, and talked up the role for community ventures / social enterprises: he specifically drew attention to the Scottish Investment Fund for Social Enterprises which will be launched shortly. **Members will wish to give officers direction on the attractiveness of a social enterprise model**, which could be

aligned to far wider debates around devolved decision making and budget: community engagement; and localised community planning.

- 11.4 An alternative approach may be to provide a range of post office services from existing customer service points / area offices, perhaps even libraries. This would seem entirely compatible with the ethos of the Customer First programme. Whilst relocating threatened services within council premises is clearly an option, Members may also wish to consider the logical alternative: of extending council “presence” in to some current post offices, thereby creating mini-area offices where no ELC presence exists.

## 12 NATIONAL CO-ORDINATION

- 12.1 East Lothian Council is clearly not alone in wrestling with this issue: all Scottish councils, (and in all likelihood a majority of UK councils) are facing similar questions and challenges. It would clearly be inefficient for 32 Scottish councils (for example) to seek legal advice on issues such as TUPE, or state aid rules. CoSLA’s limited role to date has already been mentioned. At East Lothian’s urging, a national workshop is being considered where knowledge can be shared and options considered. It has been hoped that this would take place in April/May but is now billed as “over the summer”. **Members are encouraged to use their influence to raise the profile of this issue within CoSLA’s work programme.**
- 12.2 It is hoped that this workshop will include input from Kent or Essex County Councils who have been to the fore in these debates. (See LGC 22 May “*Essex CC expects to have a blueprint ready next month to help other councils save threatened postal services. The county is the pilot in negotiations with the Post Office to retain branches or replace them with services provided by the council, but has to overcome legal and business issues first*”)

## 13 BUSINESS INTELLIGENCE

- 13.1 It will clearly be crucial, if the Administration was minded to take over responsibility for post office services in threatened locations, that the Council has prior knowledge, and clear understanding of the business conditions at each branch (eg turn over, nature of transactions, level of customers, opening hours etc) and is able to establish a strong business case (community well being considerations notwithstanding). Both COSLA and LGA report complaints about the non availability of this information from POL.

## 14 POLICY IMPLICATIONS

- 14.1 It is clear that there is widespread Member interest in post office closures. and especially their likely adverse impact on fragile communities. Both in terms of community leadership and community well-being, it is entirely appropriate for the Council to play a leading role in the forthcoming consultation.

## 15 RESOURCE IMPLICATIONS

- 15.1 Financial - Unknown at this stage
- 15.2 Personnel - Unknown at this stage
- 15.3 Other - There are a number of legal issues which too are unclear at this stage.

## 16 BACKGROUND PAPERS

16.1

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