

BRECKLAND COUNCIL

At a Meeting of the

OVERVIEW AND SCRUTINY COMMISSION

**Held on Tuesday, 13 May 2008 at 2.15 pm in the
Anglia Room, The Conference Suite, Elizabeth House, Walpole Loke, Dereham**

PRESENT

Mr J.P. Cowen (Chairman)	Mrs D.K.R. Irving
Mr S.G. Bambridge	Mr A.P. Joel
Mr A.J. Byrne	Mr K. Martin
Mr K.S. Gilbert	Mrs S.M. Matthews
Mr J.R. Gretton	Mr J.D. Rogers
Mrs S.R. Howard-Alpe	Mr B. Rose

Also Present

Mr G.P. Balaam	Mr I.A.C. Monson
Mrs J. Ball	Mr M.A. Kiddle-Morris
Mr P.S. Francis	Mrs L.S. Turner

In Attendance

Mark Broughton	- Scrutiny Officer
Ralph Burton	- Economic Projects Officer
Mark Stokes	- Strategic Director (Services)
Elaine Wilkes	- Senior Committee Officer

35/08 MINUTES

This item was deferred to the next ordinary meeting of the Committee.

36/08 APOLOGIES

Apologies for absence were received from Messrs. R.F. Goreham, C.R. Jordan, R.G. Kybird, K. Martin and Mrs. T. Hewett.

37/08 DECLARATION OF INTEREST

The following declarations were made:

- Mr. K.S. Gilbert – Personal interest as an employee of Royal Mail based at a Post Office (not earmarked for closure).
- Mr. J. Joyce (Public speaker) – Personal interest as a Substitute Member of Norfolk Police Authority, as Sub-postmaster at Wood Dalling Village Post Office (not earmarked for closure) and also as Vice-Chairman of the Norwich Branch of Sub-postmasters.

38/08 NON-MEMBERS WISHING TO ADDRESS THE MEETING

The following persons were in attendance for agenda item 6:

Breckland Members:

- Mrs J. Ball
- Mr. P. Balaam
- Mr. P. Francis
- Mr. M. Kiddle-Morris

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- Mr. I.A.C. Monson
- Mrs. L. Turner

Public Speakers:

- Mr. Gary Grange, Senior External Relations Manager, Post Office Ltd
- Ms. Laura Tarling, Network Development Manager, Post Office Ltd
- Ms. Jacqui Gissane, Field Change Adviser, Post Office Ltd
- Mr. Kevin Andrew, Deputy Chairman, Postwatch
- Mr. Martin Hickey, Icen Partnership
- Mr. Peter Smith, Norfolk Rural Community Council
- Mr. James Joyce, Substitute Member Norfolk Police Authority, Vice-Chairman Norwich Branch of Subpostmasters and Subpostmaster Wood Dalling Village Post Office
- Mr. Arthur Mobbs, North Tuddenham Post Office
- Mrs. Christine Mobbs, North Tuddenham Post Office
- Mr. Lew Pearson, Longham Post Office
- Ms. Violet Highton, New Buckenham Parish Council
- Mr. Ken Gee, New Buckenham Parish Council
- Mrs. Gloria Fowler, Chairman, Beeston with Bittering Parish Council
- Major Simon Salter, Clint Green Post Office
- Mr. David Myhill, Yaxham Parish Council
- Mrs. Nokes, Beeston Post Office
- Mrs. Powell, Clerk to Beachamwell Parish Council
- Mr. Powell, Beachamwell Parish Council
- Mr. K. Allen, Beeston Post Office
- Mrs. Jan Godfrey, Member Breckland Local Strategic Partnership
- Mr. C. Beane, Bawdeswell Parish Council

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39/08 POST OFFICE NETWORK CHANGE PROGRAMME
(AGENDA ITEM 6)

This meeting had been convened as an additional single issue meeting to debate the implications of the current consultation for the Norfolk and West Suffolk Area Plan of the Post Office Network Change Programme which was due to conclude on 2 June 2008. Representatives from Post Office Ltd (POL) and Postwatch had been invited to attend to answer questions.

The Chairman opened by explaining the proposed order for the debate and stated that the issue was specific to Breckland in various ways and had been taken very seriously at both elected member and officer level. The Overview and Scrutiny Commission had established a Post Office Working Group to look into the matter.

The Chairman of the working group, Mrs. S.M. Matthews, explained that the working group had looked closely at POL's proposals. There were three key questions on which POL was asked to respond (which had been notified to POL in advance of the meeting) in regard to the inappropriateness in a very rural area of a "one size fits all" approach, the limited period allowed for consultation and the high percentage of closures proposed in the district compared to neighbouring areas.

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The POL representatives were then invited to respond to these three over-arching strategic questions in turn, followed by Members' and public questions.

Question 1: A one size fits all policy does not work in a rural area – what guarantee can POL provide that the significance of the rural nature of Breckland has been taken into consideration in the proposals?

Mr. Grange explained that POL's plans were based on 47 regional areas nationally and that constituency and area plans covering these areas were taken into account. National criteria were applied to rural and urban areas alike. Government guidelines on access criteria did not specify that a post office attached to a shop should not be considered for closure.

POL did walk the ground when assessing potential post office closures and did take account of significant issues such as transport.

The Chairman, while appreciating what was said, strongly disputed the sense of it and questioned whether it was Government policy or that of POL to carry out closures.

Ms. Tarling replied that it was the Government that required POL to close 2,500 outlets and that there should be equality between the numbers of rural and urban closures. She assured Members that POL did consider issues of distance and access but the assessment criteria was set by the Government (i.e. that 95% of the rural population must be within three miles of a post office). Under the criteria set by the Government, it was not possible to make distinctions between differing rural areas. The same assessment process was followed in each case.

A member questioned the validity of constituency size and asked how this could be equated when looking at differing areas. Mr. Grange stated that the breakdown was applied through the criteria for distance and access between post offices as set by Government.

Another member then made reference to the historical value of post offices to community life which he felt had not diminished over time. Ms. Tarling responded that modern circumstances made the picture very different. POL faced significant competition for the provision of all the services it offered (with the exception of postal orders) and was losing trade as a consequence. Hence the Government had tasked POL to make closures. The closure programme was not something POL took lightly or would want to do but POL was trying to minimise disruption as much as possible.

In answer to a further question, it was explained that the definition of an urban area was a community of 10,000 or more inhabitants.

Mr. Joyce drew attention to a recent House of Commons Committee report on local economies which said that the impact of the proposals on rural communities had not been properly considered and which recommended that there should be a presumption against closure where a post office was attached to the last shop in a village or in a deprived area.

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Mr. Grange reiterated that POL was required to meet the Government's target and under the criteria POL was required to ensure that the impact on an urban area should not be any greater than that on a rural area and vice-versa. Given the criteria laid down by Government, it was not possible therefore to say that a post office could not close.

Mr. Joyce countered that the closures therefore had nothing to do with social aspect or profitability but were solely related to the access criteria.

Mr. Grange answered that was not the case. POL was required to make considerable savings but would not close any commercially viable units. But it was not a purely commercial issue and POL had to take account of the Government's criteria.

The proposed programme covered the period to 2011, when the Government's current Social Network Payment expired, and there was no further closure programme beyond that period. It was to be hoped that the present programme would enable a sustainable outcome to be achieved for the future.

The question of alternative outreach and mobile post office provision was then discussed.

It was confirmed that an outreach service related to a service in fixed premises. There was a single outreach proposed in Breckland (at Beachamwell) under the present proposals. Consideration could be given to mobile services in the future as part of any further network proposals if they were warranted dependent on the size of the community and level of demand.

A member questioned the equality of access between rural and urban areas. Many rural areas had no access to transport, which was not the case in urban areas. In reply, it was reiterated that the criteria as laid down by the Government provided that no one such area should be disadvantaged against the other and that density figures would apply. The existing mix of provision between urban and rural areas would remain. It was not feasible to close 2,000 offices in just urban areas,

The case of Beachamwell was highlighted in relation to outreach provision. The village was situated in one of the most sparsely populated wards in the district and there were no suitable premises for the proposed outreach service in the village. The nearest other post office was eight miles away. From information available it was understood that POL payments to outreach service applicants would fall far short of the costs of running fixed premises, making such service unviable.

It was explained that POL was currently consulting on the proposal for Beachamwell. The introduction of outreach services was being carried out in line with Government policy. Of the 2000 required closures, some 500 of these were changing to alternative delivery solutions – e.g. in village halls, public houses, mobile vans etc. POL hoped it would be able to overcome the issues referred to in the case of Beachamwell.

A member proposed a model based upon the County Council's mobile library service as a possible solution to provision of mobile/outreach

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services. Ms. Tarling concurred that joint working could give options but was not always compatible for various practical reasons. However, POL was committed to continued working with local authorities for the future, although the timescale available to it under the present programme did not allow the sufficient time that would be necessary to work up any joint solutions.

Mr. Andrew of Postwatch responded that he believed there were opportunities for all agencies to work better together but he acknowledged there would be difficulties for POL in adopting a solution as proposed above. He felt it was important for local authorities to engage in lobbying their Members of Parliament, the Local Government Association and other influential bodies to make clear their dissatisfaction over the proposed closure programme. However, in fairness to POL, Mr. Andrew acknowledged that POL had acceded to recommendations from Postwatch for changes but he felt that more needed to be done to ensure there was a co-ordinated lobby of the Government.

Ms. Tarling repeated that POL would continue to look for outreach services and, if necessary, find alternative solutions.

Question 2: *Breckland was being asked by the Government to build 19,500 new homes in the period 2005-2026. Breckland has the highest proportion of new homes to build in Norfolk, yet there are significantly more closures in Breckland than anywhere else in Norfolk – please explain why.*

Ms. Tarling explained that POL had met with the Council at the pre-planning stage of the programme and had received information about future development proposals for the towns and villages, which had been taken into account. However, information was still needed on proposed development timescales. To generate footfall, POL needed to know specific locations and types of population.

The Chairman highlighted the problem with the fact that the Local Development Framework governing future development plans was as yet still a working document and not an adopted plan. However, he felt POL should rather be looking for positive opportunities to expand their business given the level of development being proposed for the area. It seemed as if the present programme appeared to be building a case for not providing services.

In response, Ms. Tarling stated that POL was using the information provided to overlay it in their proposals. As a result, for instance, only one closure was proposed in Thetford. However, information on location of development in relation to the existing situation and the timing of development was a relevant factor. If development was not taking place now or in the next couple of years, it could not affect the current proposals.

The case of the proposed closure of the Nuns Bridges post office at Thetford was then discussed. The case against its closure was put by Mr. Balaam, who drew attention to the increased elderly population and development in the area, the hardship that would be caused to elderly and people with disabilities to access the main town post office which

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was some two miles distant, the fact that three schools in the location used the facility, issues of transport into the town centre from this area and the fact that the main post office would not cope with the level of migration, particularly given existing problems with queuing times at that office.

The assessment criteria used by POL was explained, which took into account comparative existing footfall levels, distance to other post offices and the cost of the service to POL. Added to those were the issues of accessibility, housing development etc, all of which were taken into account and these were some of the reasons for the selection of this post office for closure. Mr. Grange also explained that in looking at the receiving post offices, Postwatch's views were taken into account in respect of the existing operating situation and any existing problems that might need to be addressed. An assurance was given that POL did take account of all demographic issues – hence it was important that they were made known of any changes in circumstances such as an increase in the elderly population. The Chairman highlighted this as an example of where the Council could provide relevant information.

On the question of receiving post offices, the Economic Projects Officer drew attention to POL's branch access report in respect of the proposed Beeston closure which showed Litcham and Mileham respectively as 1st and 2nd alternative receiving offices. While these were geographically the closest alternative branches, it was more likely that customers would go to Dereham as there was public transport from the village to the town but not to Litcham or Mileham. This would appear to skew the impact on other post offices compared to the POL plan.

The point was accepted by Ms. Tarling who explained that while POL did use the nearest other branches as alternatives in the access plan, it was acknowledged that customers would use other locations. So far as the issue of migration was concerned, POL looked at the area plan as a whole and used a forecast modelling process which had been agreed with Postwatch.

The Chairman considered it was a fundamental error to assume that people in a rural area would use the nearest alternative for the simple reason that the lack of public transport made such options impossible. In some cases, while it might be possible to take an outward journey, there was no return journey available on the same day. The Chairman felt that there was a clear refusal by POL to understand this critical rural issue. Another member endorsed this point, adding that 16% of the population in Breckland did not have access to a car and public transport was very lacking. In addition, roads were often very poor/single track lacking pavements or even verges, were lorry routes, and consequently were very dangerous for pedestrians. In one case, even the Highways Agency had deemed a route too dangerous for school children to walk that a school bus had had to be laid on. Beeston was a case in point and it was asked if POL walked the routes.

Ms. Gissane confirmed she had driven this route and information had been included in the access report. However, at the time it was understood that Beeston had a bus service but from what was now being said, she understood that this was a school bus only. The purpose of the consultation process was to obtain precisely this sort of information so that such issues of access and transport could be taken

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into account. Mr. Andrew asked for any such feedback sent to POL to be copied to Postwatch.

Another member raised the case of Bawdeswell where the village post office had closed and where the village was finding it very difficult to get a response from POL on the future of this post office. Ms. Tarling undertook to liaise with the Member after the meeting for information on this branch and to investigate the position.

A concern was then raised by a member about what would happen after 2010 when the current post office card facility came to an end. She referred to a recent press report which claimed that there would be a further programme of some 3,000 closures. On this point, it was explained that the post office card facility was to be put out for re-tendering by the Government. POL was likely to submit a bid but it was not possible to say that it would win the tender. So far as any future closure programming was concerned, it was reiterated that the current programme required the closure of 2,500 branches by the end of this year and that the Government's Social Network Payment to POL expired in 2011. The situation beyond that was unknown. It was not known where the press information about future closures had come from.

So far as the consultation process was concerned, Mr. Grange assured the meeting that POL did consider all questions of need (including those of the elderly and infirm, young mothers with children etc) and the point of the consultation process was to establish the issues affecting the greater community than the information to date indicated. If feedback showed a greater impact from a closure than anticipated, this would be taken into account in making any final decisions.

In answer to a subsequent question on the issue of provision of facilities for the disabled, it was explained that POL took into account resources and facilities, including Disability Discrimination Act (DDA) requirements, in the light of its customer use projections and where significant customer migration was likely to impact on a branch. However, POL only had an element of control under the DDA in relation to its Crown Post Offices. In the case of sub-post offices, POL could only encourage sub-postmasters in this regard but any requirements had to be reasonable and changes to premises were subject to planning control.

The level of research undertaken by POL in regard to bus services was criticised as being inadequate and resulting in incorrect information. The situation at New Buckenham was cited as an example where residents would not be able to travel to and back from the proposed alternatives at Banham and Old Buckenham on the same day. It was asked if POL had researched bus timetables etc. In response, it was explained that POL consulted at the pre-planning stage and information was obtained wherever possible but in some cases available information had proved to be inaccurate. Proposals were put forward where disruption could be minimised in various ways and not solely related to bus services.

Attention was drawn by a member to a further case of existing problems from queuing at Dereham Crown Post Office and Mr. Grange undertook to investigate the situation at that branch.

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Question 3: *Why has POL only provided six weeks for the consultation? It is not a meaningful time period in which to allow local communities to obtain information and present a valid case.*

It was explained that the Government had decided the length of the public consultation period following a prior national consultation of 12 weeks of key stakeholders. However, in this area the period had been extended to nine weeks. The Federation of Sub-postmasters had agreed to the timescales. There had also been a significant pre-consultation period with local authorities, other agencies and stakeholders.

The Chairman raised a criticism that POL had failed to accept an offer from the authority to work with it to develop a plan that could have gained public support. Mr. Grange refuted this and explained that POL had been and was willing to work with the authority but was prevented from sharing information in advance of the proposals being made public. Furthermore, POL had not refused to meet with the authority but had said it could not do so until after 2nd May after the local elections.

A member asked whether POL had investigated options for a branch wishing to remain open to take over from a branch where a sub-postmaster wished to retire. It was explained that sub-postmaster preferences was not something that was included within the Government's criteria. A previous POL restructuring programme had included sub-postmaster preferences but this had given rise to the creation of gaps in service and from that experience, this option had not been looked at under the present change programme. However, in some instances where the criteria could be shown to be almost identical, then it might be possible to look at a preference but this was not part of the main assessment criteria.

The Chairman questioned the fact that, given POL's basis of assessments based on its area plans and constituency criteria, it seemed anomalous that 13 branches were proposed for closure in Breckland compared with much lower numbers in the neighbouring authority areas. Mr. Grange replied that existing provision was relevant and in the case of Breckland, the district was covered by two constituency areas. Given the percentage of closures in Breckland (16%) compared to the average (18%), Breckland was not considered to be significantly affected any more than another.

An argument was again put that there could be significant differences between areas and the impact in one need not be the same as in another. Many of Breckland's post offices were significantly further apart than the three mile distance criteria – an example being East Wretham, which if closed would mean people having to travel to Thetford for post office services as there was no public transport link. It was maintained that the proximity criteria was not sensible.

The Chairman stated that while the Council understood that POL had targets it was required to meet and that it recognised that a number of the proposed closures were difficult to oppose (either due to lack of community support or where a sub-postmaster wished to close), it was felt that some of the proposed closures needed to be closely reviewed.

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The Chairman explained that a draft formal response by the Council had been prepared which would identify where it believed there were factual inaccuracies and errors contained in POL's proposals. But in summary, the Council would be asking POL to look again at the following cases:

- Beachamwell
- Beeston
- Clint Green, Yaxham
- Longham
- New Buckenham
- London Street, Swaffham

However, if the Council's arguments to sustain these branches were successful, it did not wish to see them replaced by other closures and this was something that needed to be considered carefully.

The draft consultation response would be considered by the Council for approval at its meeting on 22nd May 2008.

Public questions were then taken, from which the following points and issues were noted:

- Referring to the proposed outreach for Beachamwell, it was asked if it was the case that an outreach provision had to cost less than the previous or current service. The answer was yes, as outreach proposals were considered by POL to be more cost-effective.
- In the case of Beeston, it was asked why the branch had been sent two shredding machines and received a notice to close the post box in advance of a decision on the proposed closure of this branch. It was explained that the supply of shredders was part of the national plan process. However, closure of post boxes did not form part of that process and POL would investigate the circumstances with Royal Mail.
- There was no appeal process against a closure decision.
- The question of withdrawal or replacement of closure proposals would be made at the time of final decision. POL had discretion to make replacement closures, though this was not always the case. If, however, a replacement closure was proposed it would be subject to a separate consultation process.
- The deadline for consultation responses was confirmed as 2nd June 2008.
- In the case of Longham, it was explained that this branch had previously been attached to a shop but was subsequently run on a part time basis after the shop closed. A key issue for the village was the significant number of residents without access to transport, particularly those elderly or infirm residents. It was asked if Breckland would consider extending the community car scheme to enable residents to access post office services at a reduced charge. The Chairman acknowledged this was a valid

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point and was one of the issues which the Council had wished to discuss with POL at the outset.

- The difficulties for village halls being used as outreach premises were highlighted. The costs to a village hall of registering for change of use, incurring increased insurance costs and the overhead costs incurred by a sub-postmaster in providing the service appeared to make it impossible for an outreach service to be operated at less cost than an existing provision. It was asked, therefore, how POL could propose the outreach solution as a more economic alternative. It was stated that the various cost elements were compared by POL and built into a pay model, on the basis of which POL considered outreach to be a more cost-effective solution.
- It was remarked that, taking account of the overall proposals, there were just two instances of branches currently closed where it was known that active steps were being taken to re-open them. This meant that there were another four or five existing closed branches which were unlikely to re-open. It was suggested, therefore, that the list of replacement closures could increase by some 10% or more if those sub-post offices which wished to close were added.

This concluded the questions from the floor, following which a closing statement was made by Mr. Grange who thanked all those present for their comments which would be taken into account. It was appreciated that this was an emotive issue and POL was concerned to ensure that the right decisions were taken.

The Chairman closed the meeting by thanking everyone for their attendance and contributions to this important debate. He reinforced the Council's concern for the communities it served and how they could continue to grow and develop. He felt, however, that POL was missing opportunities and asked POL to consider options for growth as part of its forward plan rather than network change for closures.

40/08 NEXT MEETING

The arrangements for the next meeting on 29 May 2008 were noted.

The meeting closed at 4.20 pm

CHAIRMAN