



2nd November 2004

Report to the City Council

Local Post Office Closures



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Preface

By Councillor Mark Hill

Chair of the Regeneration Overview and Scrutiny Committee
October 2004



I would like to express my thanks to the Members of the Joint Overview and Scrutiny Committee Working Group, who have had to work to very tight deadlines to complete this Review. Members have had to gather and analyse large amounts of evidence in a very short time in order to ensure that the Review could feed into the City Council's consultation response to Post Office Limited's North Birmingham closure proposals. My thanks also go to the Council officers who have supported the Review.

Attached as an appendix to this Review, is the final report of the previous Overview and Scrutiny review of post office closures, led by Councillor Reginald Corns in March 2004. The Joint Scrutiny Working Group were very grateful for the evidence gathered by this earlier Scrutiny Review on the proposals for South Birmingham and have sought to build upon this within this report.

This report was provided to the Executive in order that it could form an integral part of the City Council's consultation response to Post Office Limited's proposals for North Birmingham. The end of Post Office Limited's six-week consultation period was Wednesday 27th October 2004. Having regard to the importance of these matters and the ongoing concerns which still exist for every Member of the Council, the Council Business Management Committee agreed that this scrutiny work should be presented to the City Council meeting.

A handwritten signature in blue ink, appearing to read 'Mark Hill', with a long horizontal flourish extending to the right.



1: Summary

- 1.1.1 Following the announcement of Post Office Limited's public consultation on its proposals to close 12 post office branches in North Birmingham, a Joint Regeneration and Local Services and Community Safety Overview and Scrutiny Committee has undertaken a review of post office closures to consider in particular the consultation process used by Post Office Limited for its Urban Reinvention Programme, and the impact that closures have had on local centres and communities in South Birmingham.
- 1.1.2 The Joint Overview and Scrutiny Committee understands that the Urban Reinvention Programme is being driven by the need to modernise and increase the efficiency of the network in the face of a changing retail environment and increased competition. It is understood that the move towards direct payments in particular will significantly affect branch turnover and that the Urban Reinvention Programme is attempting to ensure that closures are undertaken in a managed rather than ad hoc process.
- 1.1.3 However the Scrutiny Working Group has strong concerns over the way branches are selected for closure proposals and consulted upon. Proposals are heavily influenced by whether individual sub-postmasters wish to close and the compensation package offered to sub-postmasters leaving the network. The Review recognises the rights of sub-postmasters to volunteer to close, but believes that Post Office Limited has a responsibility to ensure an adequate network coverage for the whole country.
- 1.1.4 Post Office Limited's consultation failed to engage the City Council early enough in the process, despite an earlier commitment to doing so. The Scrutiny Working Group believes that alongside MPs, other locally elected representatives, including local councillors, should have had prior notice of proposals and that a longer public consultation period is needed to ensure all relevant stakeholders have sufficient time to comment on the proposals. Evidence presented has raised questions about the reliability of some of the information in the consultation packs and concerns over poor consultation with local people.
- 1.1.5 Final decisions are still awaited for two South Birmingham branches. Evidence presented to the Review suggests some reluctance amongst receiving branches in South Birmingham to commit match-funding to allow physical improvements to branches. There are also concerns about the combined effect of a number of closures on key receiving branches which already appear to have reached their capacity.
- 1.1.6 Evidence received has highlighted the significant impact closures have on neighbouring businesses, with custom falling as much as 40-50%. The Scrutiny Working Group has concerns that closures will



increase the social exclusion of vulnerable groups and risk undermining City Council and Government regeneration and local centres investment in disadvantaged areas.

- 1.1.7 The Review recommends that Cabinet include within its response the Review's evidence on the impact of closures on local businesses and a copy of the full Scrutiny Report. It also recommends local MPs to further explore future funding options for urban deprived branches.
- 1.1.8 The Review urges that Post Office Limited reconsider in particular its proposals for Winson Green, Bacchus Road and Lee Bank. The Review also asks that Post Office Limited considers the closures' impact on local centres and vulnerable groups; updates its investment plans to reflect the actual migration of customers following closures; ensures that investment supporting access and service quality is completed prior to closures; commits to effectively engaging with the City Council and local people on further network developments; reaches a swift decision on the remaining South Birmingham proposals; and considers the opening of branches as part of its network reinvention.



2: Introduction

2.1 Reason for Review

- 2.1.1 Building on the earlier Regeneration Overview and Scrutiny Committee Review of proposed local post office closures in South Birmingham, this Review seeks to consider the impact of these closures on the City's local communities and feed into the consultation process for the proposed closure of branches in North Birmingham.

2.2 Terms of Reference

- 2.2.1 This review seeks to:
- explore and comment upon the consultation process used by Post Office Limited (POL) following the proposal of closures under the Urban Reinvention Programme; and
 - explore the impact which post office branch closures in the south of Birmingham have had on the viability of local centres and local communities.

In completing this review the Working Group hopes to contribute to Birmingham City Council's response to POL's public consultation on proposed branch closures in North Birmingham. At a later date it is also hoped that the review will be able to feed into the Regeneration Overview and Scrutiny Committee's review of the City Council's local centres investment strategy and programme.

2.3 Membership of Scrutiny Working Group

- 2.3.1 In taking forward this Review the Scrutiny Working Group was drawn from Members of the Regeneration Overview and Scrutiny Committee and the Local Services and Community Safety Overview and Scrutiny Committee. The Scrutiny Working Group was chaired by Cllr Mark Hill (Chair of the Regeneration Overview and Scrutiny Committee) and consisted of the following Members:



- Cllr Keith Barton (Local Services and Community Safety Overview and Scrutiny Committee)
- Cllr Timothy Huxtable (Chair of the Local Services and Community Safety Overview and Scrutiny Committee)
- Cllr Barbara Jackson (Local Services and Community Safety Overview and Scrutiny Committee)
- Cllr Arjan Singh (Regeneration Overview and Scrutiny Committee)
- Cllr Sybil Spence (Local Services and Community Safety Overview and Scrutiny Committee)
- Cllr Ian Ward (Regeneration Overview and Scrutiny Committee)

2.4 Methodology

- 2.4.1 At an initial meeting on 16th September 2004 officers from Economic Development and Legal Services presented background information on the Urban Reinvention Programme and the experiences of its implementation within South Birmingham. At this meeting the Members of the Scrutiny Working Group (Members drawn from the Regeneration and Local Services and Community Safety Overview and Scrutiny Committees) agreed to undertake a review of the post office closures across the City.
- 2.4.2 The Scrutiny Review encompassed four committee sessions and one field trip.
- Thursday 16th September – Scrutiny Working Group agreed to take forward Review
 - Tuesday 28th September – post office site field trip
 - Tuesday 5th October – Officers from Economic Development presented the initial findings from both their analysis of the 12 closure proposals for North Birmingham and the previous week's field trip.
 - Tuesday 12th October – evidence presented by Postwatch (Kathryn Davis and Steve Lax) and POL (Mike Dalton and Nick Gittins).
 - Tuesday 19th October – discussion of draft final report.
- 2.4.3 The timescale for the Review was very short to allow its findings to be incorporated into the City Council's formal response to the public consultation on proposed closures in North Birmingham, ending on Wednesday 27th October. The details of POL's proposals for North Birmingham were announced on Thursday 16th September.



- 2.4.4 During the field trip Members of the Scrutiny Working Group and Officers visited four post offices within Birmingham. These included a branch closed under the Urban Reinvention Programme in South Birmingham (Wychall Road in King's Norton ward), two 'receiving' branches within South Birmingham (Cotteridge in Bournville ward and Sparkhill in Springfield ward); and a branch proposed for closure in North Birmingham (Ward End in Washwood Heath ward). During the visits, Members of the Scrutiny Working Group and Officers spoke with branch customers, local people and neighbouring businesses to gather their experiences of and comments on branch closures.



3: Background

3.1 Urban Reinvention Programme

- 3.1.1 In 2000 the Government's Cabinet Office's Performance and Innovation Unit published recommendations to modernise the UK's post office network in its report 'Counter Revolutions: Modernising the Post Office Network'. This report recognised the need to rationalise the number of sub-post office branches within some urban areas due to falling custom. Following this report Post Office Ltd (POL) announced plans to restructure its urban network through the closure of around a third of sub-post office branches (approx. 3,000 branches). POL's plans also included investment in the remaining post office branches with a view to ensuring they are financially viable over the long-term and in particular that they have the capacity to serve a larger catchment area following the migration of customers from closing branches.
- 3.1.2 In support of this 'Urban Reinvention Programme' the Department of Trade and Industry provided £210 million to POL for compensation (£180 million) and investment (£30 million) for urban branches. POL's underlying objectives for the programme are to close those branches which are under-used or in areas where there are currently too many branches for the business available. In order to identify specific branches for closure POL uses a combination of consultation with sub-postmasters and a branch location-modelling programme based on socio-economic and geographical information.
- 3.1.3 97% of post offices are independently owned and operated as franchises under POL, with the other 3% of outlets staffed and managed by POL employees. In 2002 letters were sent to 9,000 urban sub-postmasters asking them whether they wished their branch to be considered for closure under the Urban Reinvention Programme. Over a third (3,063) of these sub-postmasters expressed an interest in closing their branch. POL has subsequently selected branches for closure from amongst those sub-postmasters 'volunteering' for closure, on the basis of business viability and location modelling. Those businesses stating their preference to stay within the network are not considered for closure proposals. Nevertheless there remain a considerable number of sub-postmasters who, whilst having initially volunteered for closure, have not been included in final closure proposals for their local area.
- 3.1.4 Sub-postmasters who ultimately close their branch as part of the



Urban Reinvention Programme receive the equivalent of 28 months' income as compensation. This figure was established at the start of the Urban Reinvention Programme in 2002 on the basis of the value an average post office business at that time. This average branch value has since fallen and the compensation package currently compares with a total of around 24 months' income if the business were to be sold on the open market.

- 3.1.5 The Urban Reinvention Programme was initially expected to last for three years, with the first closure proposals made in November 2002 and first closures coming into effect in February 2003. However in 2003 the Programme was accelerated to complete within two years. The Urban Reinvention Programme is now due to come to an end in December 2004. The proposals for North Birmingham are some of the last to be implemented nationally.

3.2 Consultation Process

- 3.2.1 In the case of the closure of a branch 'thought to be no longer needed in the general locality' POL agreed a Code of Practice with Postwatch (an independent consumer council for postal services) in 2002. This sets out a series of requirements for POL in proposing the closure of branches, including informing the appropriate local authority and MP.
- 3.2.2 Initially the Urban Reinvention Programme handled branch closures individually, making it very difficult to assess the combined effect of a series of closures within a local area. Following discussions with Postwatch, POL now implements the Programme through constituency-level Area Plans, with all of the proposed closures within a specific constituency detailed in a single consultation pack.
- 3.2.3 There remain some concerns about the original closures, since Postwatch highlighted that a proposed alternative branch for one of the early closures is now proposed for closure under the North Birmingham proposals.
- 3.2.4 Each of the consultation packs received from POL presents the information required by the agreed Code of Practice, including:
- the distance customers will have to travel to other branches;
 - the trading hours of those branches;
 - the convenience of other branches (e.g. proximity to parking, public transport, pedestrian access, whether hilly or flat);
 - the other branches' facilities and access for disabled customers;
 - the other branches' ability to absorb the work without detriment to service;
 - if the branch processes motor vehicle licensing work or other business not available at all branches, and the proximity to another branch offering that service;
 - the effect on mail-related services (if appropriate); and



- any known plans to develop the area

- 3.2.5 During the implementation of the Urban Reinvention Programme, POL has been widely criticised for its consultation processes. In February 2004 this resulted in a statement by Stephen Timms MP (then Minister for Postal Services) which included 12 actions points for improving POL's approach to consultation. These changes included increasing the consultation period for closures from four to six weeks and obliged POL to invite local authorities to provide relevant information in advance on infrastructure and regeneration projects to inform the development of area plans. The action points also defined the 'exceptional circumstances' in which POL may justify the closure of a branch located in one of the 10% most deprived urban wards where there is not an alternative branch within half a mile.
- 3.2.6 Nevertheless, despite this ministerial statement, there remained some concerns in relation to POL's approach to consultation and this was considered as part of an inquiry undertaken by the parliamentary Trade and Industry Select Committee during the summer 2004. Birmingham City Council submitted written evidence to the Inquiry following its experiences of the Urban Reinvention Programme in South Birmingham.
- 3.2.7 The Select Committee's inquiry into the Urban Reinvention Programme recognised the relatively poor consultation processes being used for the Programme. The Select Committee expressed its disappointment that POL does not pro-actively involve local authorities and local communities in drawing up its area plans. Furthermore, recognising the very short timescales of their public consultations, the Select Committee stated that it was inconsistent of the Government to allow POL to ignore the consultation guidelines which it encourages other organisations to follow, including a twelve-week public consultation period. It was felt that such a consultation period would be more inclusive, allowing all stakeholders the time and opportunity to present their views on closure proposals.
- 3.2.8 Amongst its recommendations, published on 20th July 2004, the Select Committee asked that POL attempts to better involve local authorities, Postwatch and other stakeholders in drawing up its remaining Area Plans before closure proposals are made public for consultation.

3.3 South Birmingham Experiences

- 3.3.1 Between February and April 2004 POL undertook a public consultation on its closure proposals for South Birmingham (Edgbaston, Sparkbrook and Small Heath, Yardley, Northfield, Selly Oak and Hall Green constituencies). Birmingham City Council submitted a response to POL highlighting particular concerns where closures would have a significant impact on less affluent and/or vulnerable groups, especially in terms of accessibility to alternative branches.



This response drew on the findings of an earlier Scrutiny Review of post office closures led by Cllr Reg Corns in March 2004, a copy of which is included as an appendix to this report.

- 3.3.2 Following its public consultation, POL retracted three of its 29 closure proposals, greatly reflecting the concerns which had been raised by BCC. The final decisions on two of the proposed branches (Raddlebarn Road and Ten Acre Street, both within Selly Oak) are still to be made by POL. During their evidence session POL were not able to confirm a date by which the decisions for these two branches will be finalised, although they did state that one of the branches might remain open, although not necessarily in its current location.
- 3.3.3 Birmingham City Council's experience of POL's proposals and consultation in South Birmingham highlighted:
- POL's minimal engagement with BCC during the preparation of its area plans;
 - POL's limited understanding and/or consideration of the potential implications of planned developments (infrastructure, residential and regeneration) for the long-term viability of branches;
 - The prominence of short-term considerations rather than long-term issues in the consideration of business viability;
 - the difficulties of a six-week consultation period, particularly where local-level consultation is required; and
 - given the short timescales involved, the large number of potential closures involved in the proposals, the need to disseminate information on the proposals to the large number of individuals who might have an interest in the closure proposals, and equally coordinating a Council-wide response to POL's public consultation.

3.4 North Birmingham Closure Proposals

- 3.4.1 On Thursday 16th September Birmingham City Council received detailed proposals from POL concerning the closure of post office branches within North Birmingham. In all 12 branches have been proposed for closure across the constituencies of Sutton Coldfield, Erdington, Hodge Hill, Ladywood and Perry Barr. The proposals are subject to a six-week public consultation, which will end on 27th October 2004. The proposals for North Birmingham will be one of the last areas to undergo closures under the Urban Reinvention Programme.
- 3.4.2 The branches proposed for closure are:
- Bacchus Road (Soho ward)
 - Boldmere Road (Sutton Vesey ward)
 - Great Hampton Row (Aston ward)
 - Ivy Bush (Ladywood ward)
 - Lee Bank (Ladywood ward)
 - Marsh Hill (Stockland Green ward)



- Perry Beeches (Oscott ward)
- Shaw Hill (Washwood Heath ward)
- Tyburn (Tyburn ward)
- Ward End (Washwood Heath ward)
- Washwood Heath (Washwood Heath ward)
- Winson Green (Soho ward)



4: Findings

4.1 Urban Reinvention Programme

- 4.1.1 Whilst presenting their evidence to the Scrutiny Working Group, POL emphasised that the need to rationalise the post office branch network has arisen from increasing competition for some products; changing consumer habits, such as the increasing use internet shopping and of direct debits; and the general rationalisation of retail nationally with fewer 'stand alone' retail offers.
- 4.1.2 POL underlined the fact that the Department of Work and Pensions' move towards the direct payment of pensions and benefits into clients' bank accounts would result in a loss of around 37% of custom for an average branch, with some branches potentially losing up to 70-80%. The final counterfoils for collecting benefits are being printed in October 2004, with the final payment from them being May 2005. Nationally it is estimated that loss of benefits transactions next year would result in an annual loss of some £400 million for POL. The Members of the Scrutiny Working Group recognised that this would have significant impact on the income of individual branches and understood that POL are seeking to plan in advance for this potential fall in custom next year.
- 4.1.3 There was some concern amongst members of the Scrutiny Working Group that vulnerable groups, and in particular the elderly, were not being fully informed of the options in relation to direct payments. In particular many residents do not appear to know that they are able to have their benefits paid directly into a Post Office bank account rather than an account at a bank or building society. One Member stated that few people are aware that the Department of Work and Pensions has established a system whereby in 'exceptional circumstances' individuals will be able to continue to collect their benefits via a counterfoil book as previously.
- 4.1.4 The Scrutiny Working Group was told by POL that 10% of sub-post offices have gone bankrupt over the last ten years as a result of falling custom and lack of investment. They said that this compared to a 25% fall in the network of banks and building societies. However the closures resulting from the Urban Reinvention Programme will see a further loss of over 16% of the national network of urban and rural branches.
- 4.1.5 POL underlined the fact that if the network were not rationalised it



would be subject to ad hoc, unmanaged closures as branches simply go bankrupt, which could entail greater losses for customers. They believe that the Urban Reinvention Programme is a means of ensuring that such a reduction in branch numbers is undertaken in a managed and strategic way.

4.2 Selection of Branches for Closure

- 4.2.1 Evidence received from POL in relation to the process they follow to identify branches for closure has confirmed that they select branches from amongst those stating a preference to leave the network, with those sub-postmasters wishing to stay in the network not considered for closure. This evidence has led the Scrutiny Working Group to believe that there has been a severe lack of objectivity in the identification of branches for closure proposals under the Urban Reinvention Programme, with the preferences of individual sub-postmasters given priority over key factors such as service coverage and business viability. The automatic exclusion from closure proposals of those businesses wishing to remain in the network may in some cases have precluded the closure of the most appropriate branch(es) within a local area, whilst the preferences of sub-postmasters may have resulted in the closure of more viable or strategically located branches.
- 4.2.2 During their evidence session Postwatch stated that they would be surprised if closure proposals included branches which are thriving. Nevertheless POL stated that nationally there are some 800 branches that, even had their sub-postmasters stated their preference to leave the network, would not have been included in closure proposals under the Urban Reinvention Programme due to their strategic locations. Furthermore POL said that of the proposals which have been made the vast majority are branches in which there has been little investment and which currently do not meet the expectations of customers in terms of a retail environment.
- 4.2.3 Closure proposals under the Urban Reinvention Programme appear to have been heavily influenced by the considerable financial incentives offered to sub-postmasters rather than by a strong assessment of the economic viability and local need. Moreover it would be realistic to believe that the financial stakes involved have resulted in a large number of expressions of interest from those branches which it would otherwise have been more difficult to sell on the open market, due to their lower turnover or location within a deprived urban area.
- 4.2.4 It is recognised that sub-post offices are each individual businesses, with each sub-postmaster within their rights to volunteer for closure for financial or personal reasons. However the network as a whole remains the responsibility of Post Office Ltd. and it has a role in ensuring that the network can provide an appropriate level of service coverage. Where necessary to maintain service coverage this role



should include finding suitable replacements for those sub-postmasters who wish to leave the network.

- 4.2.5 During the evidence sessions POL emphasised that in rationalising the network they seek to ensure that they keep the 'right branches in the right locations' in order to ensure the correct levels of accessibility for customers. In identifying branches for closures they have, as much as possible, sought to select those branches which have expressed a preference to close and which appear to be suffering financially as a result of competing with another branch for the same catchment area of customers.
- 4.2.6 Members of the Scrutiny Working Group raised some particular concerns in relation to the closure of branches in less affluent areas. During their evidence session POL recognised the concerns, but highlighted that if such branches were excluded from closure proposals, there is nothing to prevent them from going bankrupt in the long-term, particularly since due to their very location they are already vulnerable businesses.

4.3 Consultation Process

- 4.3.1 In presenting evidence to the Scrutiny Working Group, Postwatch stated that they are given prior notice of POL's closure proposals, as agreed in the Code of Practice for the Programme. Postwatch are given two weeks to undertake some initial analysis before the proposals are announced publicly, in some cases giving them the opportunity to highlight key concerns or inaccuracies before the consultation packs are distributed. Postwatch felt that this period of notice was generally sufficient, although clearly at times it would be helpful for it to be longer.
- 4.3.2 During their evidence session Postwatch also confirmed that local MPs are notified of the proposals one week before they are made public. The prior disclosure of proposals to Postwatch and MPs is however considered to be commercially confidential until they are announced to the public. Given that local councillors are likely to be the first port of call for most residents with concerns about the proposals, and that local authorities have the most extensive knowledge of local areas, it would have appeared appropriate for all locally elected representatives, including local councillors, to receive some prior notification of the proposals. The Members of the Scrutiny Group were particularly concerned the POL had failed to engage with Birmingham City Council early enough in the process in order for them to feed into and inform the area plans and closure proposals.
- 4.3.3 Postwatch stated that whilst sometimes the consultation packs compiled by POL for each constituency are very accurate, there are also times when this is not the case. One of the Members of the Scrutiny Working Group highlighted that the distance to alternative branches to one of the proposed branches in Soho appeared to be



further than stated in the relevant consultation pack. Another Member noted that some of the maps provided in the consultation packs included branches which had already been closed as a result of the Urban Reinvention Programme in South Birmingham.

- 4.3.4 During their site visits the Scrutiny Working Group saw evidence that the migration of customers from closing branches is heavily influenced by transport links, and in particular bus routes, rather than the actual physical distance to alternative branches. It was felt that the majority of customers from the Wychall Road branch were now using the branch at Cotteridge rather than the two alternatives suggested within the consultation pack for this closure, primarily due to direct bus route to this local centre. During their evidence session Postwatch also noted that customers do not always migrate to the alternative branches proposed in POL's consultation packs and that this is an issue which are always monitoring.
- 4.3.5 In relation to concerns about the short timescale of POL's public consultation, POL stated in their evidence session that they believed that six weeks was sufficient to provide an opportunity for local stakeholders to comments on the proposals. They stated that a longer consultation period would risk the proposals moving into the background rather than being an urgent issue, and becoming 'an issue which nobody wants to make a decision on'. Furthermore POL underlined the fact that branches inevitably see a fall in business once they are proposed for closure, and that a longer consultation period would significantly reduce any potential for improving the viability of a branch should it not close following the final decision.
- 4.3.6 Members of the Scrutiny Working Group highlighted that nevertheless the six-week consultation period made it incredibly difficult to consult through local forums, such as ward and district committees. Indeed it was felt that given the devolution process being undertaken within Birmingham, with Districts closely mirroring the constituencies on which POL develops its area plans, it would have been appropriate for POL to have consulted with each of the Districts affected.
- 4.3.7 Furthermore the six-week consultation period has very much limited the ability of the Scrutiny Working Group to gather extensive evidence on the impact of post office closures. Members believe that a longer consultation period would have allowed the Review to gather more substantiated evidence of the negative impact closures are having on the City's communities. In particular the very short period of time since the implementation of closures in South Birmingham, with some still to be completed, and the announcement of the North Birmingham proposals has made it very difficult to assess the full impact of the closures.
- 4.3.8 POL's engagement with local people has been poor during the implementation of the Urban Reinvention Programme. The Scrutiny Working Group's visit to one of the branches proposed for closure in North Birmingham highlighted the low awareness of the proposal amongst local residents and businesses. In the shop itself a single



poster was displayed detailing the public consultation and the suggested alternative branches should the branch close. This poster was however poorly displayed, with some of the shop's stock placed in front of it, making it very difficult for customers to notice and read the information provided. Of those local people who were aware of the proposal, the majority had been made aware of it through the local newspaper and friends rather than directly from the post office.

- 4.3.9 It was noted during the site visits that the consultation posters displayed in branches do not present all of the information in ethnic minority languages, although the posters did state that this information could be provided on request. Given the high population of ethnic minority groups within some parts of the City where proposals have been made, it would have been appropriate for POL to present this information in other key languages in order to improve awareness of the proposals. This would be particularly important within some of the City's communities where there are high proportions of people with poor English skills. Moreover, there are also questions about the suitability of presenting consultation information purely on a poster, given the high rates of illiteracy in some parts of the City.
- 4.3.10 When concerns were raised in relation to local awareness of proposals during POL's evidence session, POL representatives suggested that individuals' awareness of branch proposals might well be indicative of their use of the post office in questions.

4.4 North Birmingham Closure Proposals

- 4.4.1 There are significant concerns amongst the Scrutiny Working Group in relation to the proposals for North Birmingham, in particular where more than one branch in a ward has been proposed for closures, such as Soho. There appear to be particular concerns in relation to the proposed closures of the Winson Green, Bacchus Road and Lee Bank branches due to their location within areas of severe deprivation; the significant distances which customers would need to travel to access an alternative branch (particularly given the areas' low levels of car ownership); and the fact that all three are likely to see increases in custom as a result of key residential development nearby.

4.5 South Birmingham Closures

- 4.5.1 In presenting evidence to the Scrutiny Working Group both Postwatch and POL stated that negotiations are still on-going for the two South Birmingham branches for which final decisions are still awaited. Postwatch highlighted that they are very pleased that POL has taken on board its concerns in relation to these two branches. Both organisations hope to reach a resolution on these branches in the



near future.

- 4.5.2 During the evidence session with POL and Postwatch Members of the Scrutiny Working Group highlighted concerns with regards to investment in receiving branches and in particular the apparent lack of progress in South Birmingham branches. Postwatch highlighted that nationally they are similarly concerned with the slow progress in terms of branch improvements.
- 4.5.3 Postwatch noted that, at least initially, there had been some reticence amongst the remaining branches in South Birmingham to invest in improvements. Since sub-postmasters are required to contribute match-funding to these improvements, this reluctance appeared to be connected to the lack of confidence and uncertainty of the network and recent closures. Postwatch did however state that these concerns do now appear to be waning, with more sub-postmasters willing to invest in their branches. Members of the Scrutiny Working Group highlighted however that the sub-postmaster at Cotteridge branch in South Birmingham was concerned that whilst contractors had visited the branch to assess the need for improvements, they had not been contacted recently by POL in relation to investment, had not been asked to contribute any match-funding, and were unaware of when any improvements might be made.
- 4.5.4 Postwatch noted that if there are improvements needed in receiving branches, which are beyond purely cosmetic enhancements, they expect these to be completed within three months of the branch closures taking place. Postwatch will be undertaking a programme of revisits to the branches to assess whether necessary investment has taken place, alongside other matters such as queue times and capacity issues. They did however stress that this would not mean that they would visit all of the affected branches, but that visits would be prioritised on the basis of the scale of investment originally deemed necessary. Postwatch were not able to provide dates for when these visits may take place in South Birmingham, although they did state that they would clearly leave some time after the closures for any investments to be made.

4.6 Impact on Local Centres and Communities

- 4.6.1 At the evidence session both Postwatch and POL recognised the community role of post office branches. POL emphasised that in meeting this role they are seeking to ensure that their remaining branches are better located in vibrant local centres and can offer a safer and more appealing environment for customers as well as more and better facilities. Postwatch highlighted that the downside of the rationalised network would be longer queues and a less personalised service for customers.
- 4.6.2 The Scrutiny Working Group asked POL whether they had considered



any alternative options for delivering post office services where branches may close, such as a mobile unit as used in rural areas. POL emphasised that such possibilities would undermine the objectives of the Urban Reinvention Programme as it would not create the migration of customers need to make remaining branches viable.

- 4.6.3 A site visit to the location of one of South Birmingham branches allowed the Scrutiny Working Group the opportunity to consider the impact of the local branch closure on neighbouring businesses. Within this parade of eight businesses, all reported having seen a fall in their number of customers since the branch's closure in early August. In particular they felt that there were fewer elderly people visiting their businesses and there had been a clear drop in 'passing trade'. Each of the businesses believed that this fall in custom had inevitably reduced their turnover, with one reporting a loss of 40-50% of its income. Several of the businesses stated that the closure of the local post office branch would affect their long-term business plans, particularly in terms of staffing levels.
- 4.6.4 Such falls in businesses amongst neighbouring shops mirrors the evidence gathered for the earlier Regeneration Overview and Scrutiny Committee Review of proposed local post office closures in South Birmingham during a field trip to Bolton. There a neighbouring convenience store reported a 50% fall in its grocery trade and a 15% fall in its overall profits¹.
- 4.6.5 During their site visits the Scrutiny Working Group found little evidence that the migration of customers from closing branches was helping to reinforce the vibrancy of larger local centres. Perhaps due to the short period of time since some of the closures in South Birmingham have taken place, evidence from a site visit to a receiving branch did not suggest that neighbouring business had seen a noticeable increase, if any, in custom resulting from additional customers now using this branch. However evidence collected from the retail shop within which the Cotteridge receiving branch is located, did suggest that the business has significantly benefited from the additional customers visiting the shop to use the post office, due to their co-location.
- 4.6.6 The site visit to two receiving branches within South Birmingham highlighted concerns in relation to the combined effect a number of branch closures will have on receiving branches. At the time of the visit, the branch at Cotteridge was already suffering long queues as a result of the additional customers it was receiving from closing branches. There were however still two nearby closures due to take effect, which would create additional difficulties for both the branch and customers. Members of the Scrutiny Working Group highlighted similar concerns with regards to the Fox and Goose branch, which is already receiving customers from branches which were closed in

¹ Regeneration Overview and Scrutiny Review of Local Post Office Closures (March 2004), p.4.



South Birmingham and is proposed as an alternative branch for the North Birmingham proposals.

- 4.6.7 Postwatch explained that as part of their watchdog role they complete assessments of queuing times within post office branches, visiting branches over a 2-3 day period to gain an overall view of both peak and quiet times.
- 4.6.8 During their evidence session Postwatch highlighted that once a branch was proposed for closure it was not unusual for their custom to fall by around 25%, regardless of whether this closure is finalised following consultation or not.
- 4.6.9 In setting out a number of factors under which they might oppose a closure proposal, Postwatch highlighted concern they may have where a closure would have knock-on effect on local regeneration activities. This has been a key factor in their opposition to the Shenley Lane and Bournville Green branches in South Birmingham, where they felt that the closure had the potential to affect investment by Birmingham City Council and the Bournville Village Trust.
- 4.6.10 Members of the Scrutiny Working Group raised significant concerns with regards to the impact that branch closures might have for social exclusion. Vulnerable groups such as the elderly, those with mobility difficulties, parents with young children and those without access to a car will have additional difficulties and costs in accessing alternative branches and will potentially depend more on others, including carers, to undertake such visits on their behalf. It was evident during the Scrutiny Group's site visits that there are very limited facilities close to some of the receiving branches, making it increasingly difficult for those with mobility issues to access alternative branches.



5: Conclusions and Recommendations

5.1 Conclusions

Having considered the evidence presented to the Working Group, the Joint Overview and Scrutiny Committee Review reached the following conclusions:

- 1. Members of the Scrutiny Working Group understand the need for Post Office Limited to ensure that the post office branch network is viable and sustainable over the long-term, and the significant implications that the Department of Work and Pensions' move towards direct payments will have on post office businesses. However they are deeply concerned about the approach which Post Office Limited has taken in selecting and consulting on closure proposals, and regret the fact that individuals will no longer be able to choose whether they will have their benefits paid directly into a bank account or by order books and girocheques.*
- 2. Post Office Limited's approach to rationalising the network has been heavily biased by the significant compensation package offered to sub-postmasters. Their approach does not preclude thriving business from being included in proposals and does not appear to have the customer at its heart nor provide an entirely objective consideration of network coverage. Whilst the Scrutiny Working Group fully recognises that, as independent businesses, sub-postmasters are within their rights to state their preference to leave the network, Members believe that Post Office Limited has an obligation to ensure that the network as a whole provides appropriate service coverage.*
- 3. Post Office Limited has failed to engage local decision-makers and local people in the development of its areas plans, and once these are announced, takes inadequate steps to make local people aware of closure proposals and how they can participate in the public consultation process.*
- 4. The short timescale of Post Office Limited's consultation period for closure proposals significantly limits the opportunity for local-level consultation, particularly through ward committees.*
- 5. The closure of local post office branches clearly has a significant knock-on effect on neighbouring businesses, particularly in small parades of shops, which might not benefit from other passing trade. This runs counter to the findings and recommendations of the Policy Action Team*



13 report which highlights the key role of post offices in local centres and urban deprived areas.

6. *Transportation links, in particular bus routes, are far more significant than actual physical distances in the eventual migration of customers from a closing branch to an alternative.*
7. *Post Office Limited has failed to understand the implications of limited parking facilities serving receiving branches and the impact that this may have on those with mobility difficulties.*
8. *The closures of local branches will exacerbate the risk of social exclusion for some groups, in particular the elderly, those with mobility difficulties and parents with young children. The cost implications of additional transportation needs will also exacerbate this risk for some individuals.*
9. *There are a significant number of physical improvements needed in remaining branches which may potentially not be completed should individual sub-postmasters be unwilling to commit match-funding. This poses a considerable risk of further excluding some vulnerable groups and reducing the quality of service within branches.*

5.2 Recommendations

The Joint Regeneration and Local Services and Community Safety Overview and Scrutiny Committee Review recommends that the Cabinet in its response to Post Office Limited, required by the 27th October 2004, includes:

- | | |
|----|--|
| R1 | Emphasis on the poor consultation Post Office Limited has undertaken with local decision-makers and local people, and the limitations of its six-week consultation period. |
| R2 | The full Scrutiny Review report as an appendix to its response and in particular draws on its evidence in relation to the impact of closures on local businesses. |

and, asks Post Office Limited to:

- | | |
|----|--|
| R3 | Reconsider in particular its proposals to close the Winson Green, Bacchus Road and Lee Bank branches given the pockets of poor accessibility which would result from their closure; their locations within areas of severe deprivation; and key residential developments which are in progress and will support their long-term viability. |
| R4 | Commit to pro-actively engaging with Birmingham City Council on future plans for the City's post office network, including prior notification of any future closures which might take place, including details of the rationale behind these. |
| R5 | Recognise the need to consult appropriately and effectively with local people on local branches, beyond the displaying of posters within proposed branches, taking in account local needs related to ethnic community languages and low literacy rates. |
| R6 | Consider the impact that branch closures are having on local centres and vulnerable groups, including the elderly, those with mobility difficulties, parents with young children and those without access to a car, and give more thought to how their services could be better delivered to meet the needs of such groups. |
| R7 | Reassess the migration of customers following closures and updates investment plans accordingly, given that evidence gathered by the Scrutiny Review has highlighted that |



residents are more likely to choose an alternative branch served by a key bus route rather than one physically closer to their original branch, as suggested in the consultation packs.

R8 Ensure that investment in remaining branches is completed prior to further closures taking effect where it will affect access and/or service quality for customers.

R9 Come to a speedy decision on the two remaining branches proposed for closure in South Birmingham: Raddlebarn Road and Ten Acre Street and to advise the City Council of this.

R10 Include consideration of opening new branches in its plans for a reinvented network where there is appropriate need and demand for such, rather than focusing solely on branch closures.

Further, that:

R11 The Deputy Leader ensures that information is made available to residents, through the Birmingham Voice publication, on the options available to them in relation to the move towards direct payments of benefits.

R12 The City Council writes to local MPs to ask them to champion an extension of the Office of the Deputy Prime Minister's Deprived Urban Post Office Fund and explore future options for ensuring the viability of branches within vulnerable urban communities.

R13 This Scrutiny Review should feed into the planned review of local centres investment to be undertaken by the Regeneration Overview and Scrutiny Committee.

R14 The Deputy Leader keeps the Regeneration and Local Services and Community Safety Overview and Scrutiny Committees advised on significant developments on these matters.



Appendix



Scrutiny Review of Local Post Office Closures

1. Summary

- 1.1 This report makes recommendations to the Cabinet based on the conclusions of a Scrutiny Review of local Post Office closures. The review was undertaken in March 2004 in response to the Post Office Ltd's consultation on 29 proposed Post Office closures across South Birmingham issued on the 24th February 2004. There has been a short response time provided by the Post office of six weeks and this has, inevitably, limited the scope of the review and the available time to take evidence from a full range of parties affected by or with an interest in the proposals. Despite this the Scrutiny Working Group has been able to take evidence either in oral reports, conduct a visit to an urban area which has already undergone the process of Post office closures and take written responses.

2. Conclusions of the Scrutiny Working Group

2.1 Consultation

- 2.1.1 The consultation carried out by Post Office Ltd falls short of the government's *Revised Code of Practice on Consultation*,² published in January 2004. This applies to all UK public consultations by government departments and agencies and it also urges UK government non-departmental bodies and local authorities to follow the code. The first criteria in the code is to:

"Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy."

The consultation period provided by Post Office Ltd, between the 25th

² Revised Code of Practice on Consultation, 2004, Cabinet Office: London



February 2004 and 7th April 2004, comprises six weeks and therefore does not comply with the criteria for written consultation. Even if Post Office Ltd does not consider that the code is directly or indirectly applicable to them it would still have some bearing as a best practice document for them to follow.

- 2.1.2 The code places emphasis on starting a consultation process early in a policy development process and where groups are potentially affected by the proposals they "should be contacted and engaged in discussion as early as possible in...the process." It also stipulates that in such circumstances "informal consultation with these stakeholders should be conducted prior to a written consultation period". The Post Office Ltd consultation approach did not feature any advance informal consultation or engage groups actively in the development of their proposals.
- 2.1.3 The code also encourages proactive consultation with more hard to reach stakeholders such as small businesses, members of ethnic minority groups, older people and disabled people. Consultation with such groups in this process has been limited.
- 2.1.4 The code stipulates that where a written consultation exercise is less than the stipulated 12 week period then the accompanying documentation should set this out and the reason for this.
- 2.1.4 The Scrutiny Working Group concluded that given the scale of the proposed closures of 29 Post Office branches across the south of Birmingham, a six weeks period has not given sufficient time for agencies and members of the public to provide feedback on the proposals. It notes that the consultation period adopted, as general practice by Post office Ltd, has expanded from four to six weeks but still considers this markedly insufficient. For example, to enable proper consideration by the constituted decision-making bodies at a Ward or District level or resident and community led bodies such as Neighbourhood Forums and Tenants and Resident Groups would require at least a 12 week period. This is because they will typically meet on different scheduled monthly, six weekly, bimonthly or quarterly meetings so even for those meeting most frequently i.e. monthly they may find it difficult to fit in consideration of the written consultation as these meetings could have been scheduled in the last two weeks of the six weeks consultation period.
- 2.1.6 The Scrutiny Working Group has also concluded that the overall package of consultation is inadequate and is not in keeping with the Revised Code of Practice on Consultation. For instance, the issue of letters, with no advance notification, detailing the proposed closures across each affected Constituency to the Chief Executive of the UK's largest local authority is inevitably going to lead to an initial delay of a few days before the detailed letters are diverted to relevant local parties. In this



case the letters were expeditiously delivered to the relevant local centres but as a system of issuing complex and detailed consultation to such a large organisation the approach adopted by Post Office Ltd leaves a lot to be desired.

- 2.1.7 Finally, the Scrutiny Working Group has concluded that the methods adopted for consulting with hard-to-reach groups is both weak and passive. Sending letters to agencies such as Age Concern, Post Watch and RNIB is a starting point but there are a number of other organisations that could have been included e.g. Chambers of Local Commerce, the Federation of Small Businesses, the Birmingham Coalition for the Disabled. The government's *Revised Code of Practice on Consultation* encourages a more proactive approach with these groups including public meetings, focus groups and surveys. In the main the people who will suffer most, as our report indicates below, are the vulnerable and needy members of our communities who fall into the 'hard to reach' category.

2.2 Creating social isolation and exclusion of vulnerable members of the community.

- 2.2.1 The visit to Bolton by members of the Scrutiny Working Group has highlighted the acute impact of Post Office branches closures on local communities especially in the area of social isolation and exclusion of some of the most vulnerable members of these communities.
- 2.2.2 The Working Group delegation to Queensgate Post Office observed that this former Post Office was sited in a housing estate and it was now falling into ruin. One older resident stated:
- "This is very inconvenient for me and all old people in the area. Some don't go themselves now it's a 20 minute walk away and uphill on the way home".
- 2.2.3 The Council's response to Post Office Ltd identifies that 11 of the 29 proposed closures are located in areas with between 23.2 percent and 83.4 percent pensioner households. A further six branches are located in areas with between 18% and 23.2% pensioner households. Many of these branches are around a mile or more from receiving branches. This response highlights that:
- "...mapping...shows a large number of pensioners a considerable distance from the branch in Longbridge, Shenley Fields, Bournville, West Heath, Selly Park and Yardley Wood".
- 2.2.4 It was evident from the delegation's interviews with several residents in the areas where Post offices were shut that older and vulnerable people had lost the opportunities they previously had for social interaction and therefore to be active within their own neighbourhoods. For example, one



passer by who was a carer advised that she used to carry out one of her clients' post office business but now she was doing it for three people as the receiving branches were not accessible to them. Another, passer-by advised that she was aware of another case of an older resident remaining at home, with their daughter or niece going to the Post Office for them.

- 2.2.5 The Scrutiny Working Group conclude that the closures in Birmingham, as the closures in Bolton have shown, will lead to the social isolation and exclusion of older and vulnerable people by limiting opportunities for social interaction and active participation in neighbourhood life. This, inevitably, will have implications of personal wellbeing, health and overall quality of life and contributing to a greater dependency on carers, relatives, friends and neighbours.

2.3 A negative impact on flourishing neighbourhoods and the regeneration of deprived communities.

- 2.3.1 The visit to Bolton by the Working Group delegation also revealed evidence of decline to local neighbourhoods and remaining retail outlets following Post Office branch closures:

At the site of the former Doffcocker branch the following comments were made by local retailers:

Visiting the Bakers the party were informed that "Closure has affected trade – with five per cent less business lost due to lack of footfall past shop".

Calling at the Hairdressers and the Sandwich Shop – both proprietors stated that they used to use the Post Office to bank but now have to travel into town to use a bank. This had implications for safety in terms of travelling a longer distance to bank cash.

At the site of the former branch at Sharples Avenue:

The Convenience Store has seen a fall in grocery trade by 50% due to reduced footfall past the shop and an overall drop in profits of 15%.

A more positive impact was made in the neighbourhoods with 'receiving' Post Office branches. The adjacent chemist had seen a small increase in prescriptions being presented with custom piggy backing on visits from the closed Post Office branch at Rishton Lane. The receiving Post Office here reported that "business was not increasing as expected due to the number of people using bank accounts for benefits". The convenience store opposite had been adversely affected as the new owner at the receiving Post Office branch "had also started selling convenience stuff."



2.3.2 The Council's response to the closures illustrates how the proposed 29 Post Office branch closures will have a negative impact on the Flourishing Neighbourhoods agenda, a centrepiece of the City Strategic Partnership's and City Council's Neighbourhood Renewal Strategy. The Council's response to the closures quotes the Cabinet Office's report prior to its commission of the Urban Reinvention Programme which reinforces the pivotal role played by local Post Offices:

"...existence of a post office in deprived urban areas can provide an anchor for the local store...Some of the best examples of vibrant shops in deprived neighbourhoods are run alongside a post office."

2.3.3 Professor Ann Power's *Neighbourhood Management and the Future of Urban Areas* (LSE, September 2003) uses a population number of around 5,000 in her classification of typical neighbourhoods giving Birmingham. From Birmingham's overall population of a million this gives some 200 neighbourhoods in total and around 100 across South Birmingham subject to the consultation on closures. Therefore, nearly a third of the neighbourhoods in South Birmingham may be directly affected by these proposals with many of the other neighbourhoods indirectly affected. This will have a significant impact on the vision of Birmingham as a City of Flourishing Neighbourhoods.

2.3.4 The Scrutiny Working Group conclude that the network review undertaken by Post Office Ltd has not been thought through to look at how its objectives of bringing a smaller but sustainable network of post office services can best fit in with the broader agenda of developing Birmingham as a City of flourishing neighbourhoods.

2.4 Impact on accessibility of Post Offices and safety of residents, particularly the vulnerable.

2.4.1 The Council's submission in response to the consultation demonstrates, in detail, the impact of the proposed closures on the Post Office Ltd's target position for over 95% of people living in urban areas living within one mile of a post office branch, with the majority living within half a mile. The report states that:

"With the current network of post office branches it is thought that...11.7% are more than 1 kilometre (0.6 miles) walking distance from a post office. Following the proposed closures, it is expected that this proportion will more than double to 27.9%."

This is in keeping with the evidence provided by Post Watch at the second session of the Scrutiny Working Group. They indicated that their submission in responses to the consultation would reveal that in practice, taking into account walking distances, some 20% would be over a mile away from the nearest local Post Office. Of the 65 receiving branches, Post Watch calculate that across the five Constituencies two percent were within half-a-mile, 66% between half-a-mile and a mile



and 20 per cent over a mile.

- 2.4.2 One of the Scrutiny Working Group members outlined that in his patch in Selly Oak it is a 1.3 mile walk from the Ten Acres Post Office to the two nearest other branches. In the case of Bournville and Stirchley the walks to the receiving branches were not easy walks and the Post Office Ltd's description of these as undulating was an understatement. The Council's submission to Post Office Ltd also highlights the accessibility issues around these two branches as well as Longbridge and Frankley sites. Neighbourhood Wardens from Northfield District had checked the routes between Longbridge and Rubery and Longbridge and Holly Hill and reported that the routes were difficult. One contributor at the Northfield District Committee pointed out that, in an area of high pensioner households, the expectation of pensioners accessing the receiving branch at Rubery was unfair as their Bus Passes would not be valid for this journey as Rubery was not within the boundaries of Birmingham City Council.
- 2.4.3 The representative of Post Office Ltd confirmed at the second session of the Scrutiny Working Group that the basis of the calculation of distances that the general public would travel to access their nearest Post office was on the basis of "as the crows fly". He confirmed that an average view is taken so the residents already living nearer a receiving branch are balanced against those living further away. The Working Group concluded that this had this method failed to take into account:
- The level and suitability of roads and footpaths
 - The undulation of the area which could have an adverse impact on the elderly and disabled
 - Safety in terms of the desirability of some of the routes that would now be taken
- 2.4.4 The Birmingham Coalition of Disabled People, giving evidence at the third session of the Scrutiny Working Group, expressed that disabled people already felt isolated and that "these proposals would reduce the level of social inclusion...and further increase the level of isolation they felt". They expressed concern also that the receiving Post Office branches would need to fully comply with the provision of the Disability Discrimination Act.
- 2.4.5 The Council's submission identifies that the target of access to a Post Office within half a mile in the most deprived areas i.e. 10% most deprived wards based on the Index of Multiple Deprivation (IMD) also falls short across the proposed closure programme. It identifies five wards in the 10% most deprived category (Bartley Green, Sparkbrook, Small Heath, Sparkhill and Fox Hollies) with a further seven in the 10-20% most deprived (Billesley, Brandwood, Kings Norton, Longbridge, Weoley, Yardley and Acocks Green). Of the 29 proposed closures a quarter of these fall within the 10% most deprived wards and under a



half within 10-20% most deprived wards. The report also identifies that within the 10% most deprived wards the two closures within Fox Hollies and Small Heath and the Hay Mills branch in Acocks Green will "leave significant deprived populations more than half a mile away from an alternative post office branch".

2.4.6 The Scrutiny Working Group conclude that:

2.4.6.1 The proposed closures will have significant impact on general accessibility of Post Office services as well as creating specific and real obstacles for a number of groups such as the elderly, disabled, parents and young children accessing these services.

2.4.6.2 The "as the crow flies" method for calculating distances is both an unfair and inadequate means of determining real distance in relation to the Post Office Ltd's target of 95% of people in urban areas accessing a Post Office within one mile.

2.4.6.3 The Post Office Ltd's two targets for people accessing alternative branches significantly fall short. In the case of the general target of 95% accessing a post office within a mile the calculations in our executive report and the oral submission of Post Watch has indicated that if closures proceed then between 20% and 30% of the population will be outside of this target. For the target for people living within the 10% most deprived wards been able to access a Post Office within half a mile a significant number of people will fall outside this target.

2.5 **The "cart before the horse" – a weakness in the method for ascertaining unviable Post Office branches**

2.5.1 In the second session of the Scrutiny Working Group representatives from Post Office Ltd confirmed that Post Office Masters / Mistresses were offered compensation in advance of any assessment of the commercial viability of individual Post Office branches. In bringing about a viable network of Post Office branches it is the view of the Scrutiny Working Group that the method used by Post Office Ltd is flawed. If the objective is to create a smaller and more viable network of Post Office branches in a given area, then it would seem that the best way of doing this would be to undertake individual assessments of the commercial viability of all branches in the area *prior* to any offer of compensation is made, whether seeking expressions of interest or more concrete discussions around proposed closure.

2.5.2 This also raises the issue around the whether undue weighting is given to providing compensation over ongoing business support to Post Office branches which could be sustained. Once an assessment of the viability of branches across an area is completed it could be possible to provide ongoing support to some branches and therefore retain these whilst developing proposals for some branch closures, based on a further



geographical assessment, where there is an overwhelming commercial case for closure.

3 Recommendations of the Scrutiny Working Group

3.1 That Cabinet considers the findings of the investigation into proposed Post Office closures including its conclusions and recommendations.

3.2 That Post Office Ltd consider in particular:

- The high number of proposed receiving Post Office branches over the target distance of one mile between the proposed closing and proposed receiving branches;
- The number of proposed receiving branches in most deprived areas over a half mile from residents;
- The Post Office branches proposed for closure in areas of planned regeneration and redevelopment as detailed in the Executive's report;
- The negative impact of the proposed closures on the city's flourishing neighbourhoods agenda;
- The negative impact of the proposed closures on the most vulnerable members of city neighbourhoods and the reinforcing of social isolation and exclusion and the potential for those travelling to receiving Post Offices to be victims of crime;
- The limitations of the consultation undertaken and the non adherence to the revised code of conduct for consultation;
- The overwhelming opposition of a range of individuals, groups and agencies across the city to the proposals as they stand.

3.3 The Scrutiny Working Group recommends to Cabinet that it seeks, in its response to the Consultation to Post Office Ltd, to request a suspension of the proposed 29 Post Office branch closures in South Birmingham to enable:

- full and meaningful engagement with a wide range of groups and organisations in the spirit of the government's Code of Guidance on Consultation

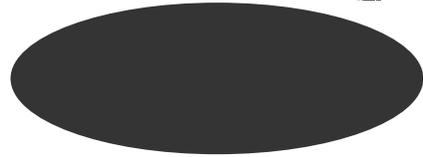


- a partnership approach to be developed with a number of relevant groups including the City Strategic Partnership, City Council and other institutions to explore how a sustainable network can be developed in the context of the City's flourishing neighbourhood agenda, adherence to the Post Office Ltd's own targets on the accessibility of urban Post Offices and planned regeneration and redevelopment programmes
- 3.4 The Scrutiny Working Group recommends to Cabinet that a copy of the Council's response and the Scrutiny report is submitted to the Trade and Industry Committee Inquiry into the Post Office Network Reinvention programme.
- 3.5 That a single City response be made in response to the consultation integrating the executive response and scrutiny findings alongside any other relevant submissions from individuals and groups including any petitions and Ward and District Committee resolutions.



4: Terms of Reference

A	Subject of review	Review of proposed local Post Office Closures
	Overview and Scrutiny Committee	Regeneration
B	Reason for review	<ul style="list-style-type: none"> To understand the rationale for the proposed programme of local Post Office closures. To explore what consultation has been carried out and what preparations have been made. To consider the impact of this action on the regeneration and sustainability of local centres and on particular communities, such as the elderly, people with disabilities and people without transport.
C	Objectives of review, including outcomes	<ul style="list-style-type: none"> To feed into and influence the outcome of the closure consultation process.
D	Lead Member(s)	Councillors Reg Corns (Lead Member), Alistair Dow, John Clancy, James Hutchings and Timothy Huxtable.
E	Lead Review Officer	Ifor Jones
F	Relevant Cabinet Member(s)	<p>CLlr Mick Rice, Cabinet Member for Local Services and Community Safety</p> <p>CLlr Andrew Coulson, Cabinet Member for Regeneration</p>
G	Council services expected to contribute	<ul style="list-style-type: none"> Economic Development Local Services
H	External organisations expected to contribute	<ul style="list-style-type: none"> Post Office Ltd Age Concern National Federation of Sub Post Masters Relevant residents and Community Groups



		<ul style="list-style-type: none">• Businesses• Postwatch
I	Anticipated date of report to Overview and Scrutiny Committee	To be confirmed
J	Estimated Number of Working Days to Conduct Review Per Member Officers	Three meetings of ½ day each plus one day visit. Ten days Total 12½ days.
K	Anticipated call on Scrutiny Budget	Travel costs for visit to Bolton.

Signed:

(By Chair on behalf of Overview and Scrutiny Committee)

Date Agreed:

(By Overview and Scrutiny Committee)

25th March 2004



5: Findings – The Context

The Network Reinvention Programme

The context set out below, para 51-5.3 is derived from the Council's response:

- 5.1 In 2000 the Cabinet Office's Performance and Innovation Unit published recommendations to modernise the network of Post Offices in the UK³. This report recognised the need to rationalise the number of Post Office branches within some urban areas by closing those which are under-used or within areas where there are too many branches for the business available. The Post Office Ltd subsequently announced plans to restructure its urban network through the closure of 3,000 branches and investing in the remaining post offices.
- 5.2 A further driver behind the closures of Post Office branches is recognised as being the Department of Work and Pensions move towards direct payment of the following benefits into clients' bank accounts:
- Attendance Allowance
 - Child Benefit
 - Disability Living Allowance
 - Incapacity Benefit
 - Income Support
 - Invalid Care Allowance
 - Jobseeker's Allowance
 - Retirement Pension
 - Widows Benefit and Bereavement Benefit
 - Veterans Agency (War Pension)

This process has been underway since 2002 for some benefits, with Direct Payment viewed as the normal way of receiving benefits and/or state pensions since April 2003. The DWP is ultimately working towards a target of phasing out all order books and giro cheques by 2005. A large number of these benefits have previously been accessed through the post office for a large proportion of customers and hence the process inevitably will have a significant impact on the number of

³ Counter Revolution: Modernising the Post Office Network, 2000, Performance & Innovation Unit, Cabinet Office: London



transactions being undertaken in local branches, despite the Post Office Ltd's move to capture some of the migration through the option to establish an appropriate bank account with them.

In support of the Urban Reinvention Programme the Department of Trade and Industry has provided £210 million to Post Office Ltd for a three-year compensation (£180 million) and investment (£30 million) package for urban branches. In order to identify specific branches for closure the Post Office Ltd has used a combination of consultation with sub-postmasters and a branch location-modelling programme using socio-economic and geographical information. In 2002 letters were sent to 9,000 sub-postmasters asking them whether they wished their branch to be considered for closure under the Urban Reinvention Programme. Over a third (3063) of sub-postmasters expressed an interest in closing their branch⁴. Those sub-postmasters who close their branch as part of the Urban Reinvention Programme will receive the equivalent of 28 months' income as compensation.

Birmingham Closures

On the 25th February Post Office Ltd. announced that, as part of the Post Office Ltd's Urban Reinvention Programme, the following 29 branches have been proposed for closure in the south of Birmingham:

- Bosworth Road (Acocks Green)
- Bournville (Selly Oak)
- Cheapside (Sparkbrook)
- Edgewood Road (Longbridge)
- Farren Road (Longbridge)
- Greet (Small Heath)
- Harborne Lane (Harborne)
- Hay Mills (Acocks Green)
- Highfield Road (Hall Green)
- Hillwood Road (Bartley Green)
- Ladypool Road (Sparkbrook)
- Longbridge (Longbridge)
- Lower Stechford (Yardley)
- Moor Pool (Harborne)
- Old Yardley (Yardley)
- Raddlebarn Lane (Selly Oak)
- Reddings Lane (Fox Hollies)
- Redditch Road (Kings Norton)
- Shenley Lane (Weoley)
- Stechford (Yardley)
- Stirchley (Bournville)
- Sunbury Road (Longbridge)
- Templefield (Edgbaston)
- Ten Acre Street (Selly Oak)
- Tyseley (Fox Hollies)
- Weoley Avenue (Selly Oak)
- Wychall Road (Kings Norton)
- Yardley Green (Fox Hollies)
- Yarningale Road (Brandwood)

It is expected that further closures in the north of the city will be proposed in autumn 2004. There is a six-week consultation process for each of the proposed closures, due to end on the 6th April 2004⁵.

- 5.3 On 24th February Post Office Ltd wrote to the Chief Executive outlining proposals for the closure of 29 Post Office branches across Birmingham. These were detailed in separate letters for each affected ward. These

⁴ 2003, *Banking on the Future: Postcomm's Third Annual Report on the Network of Post Offices 2002-2003*, (Postcomm: London), p.28.

⁵ www.postwatch.co.uk/index2.html



are attached at appendix two. The proposals were developed following “a comprehensive review of the network of Post Office branches across the area”. Each letter detailed the branches for potential closure and those branches earmarked to receive business from these. Post Office Ltd state that the proposals are made within the framework of their Network Reinvention programme which seeks to stabilise provision of service to their customers. The reasons underlying the review are, they state, “that the current urban network is too vast for the amount of custom it receives despite ongoing work to increase the business it handles”. In particular the decline of benefits issued over the counter e.g. pensions and child benefit following the shift to direct payments of these into personal bank accounts is having a significant effect on the level business Post Office branches receive. The review also, they state, takes into account the impact of infrastructure developments have on the long-term viability of branches e.g. the Sunbury Road branch near Longbridge. The review also takes into account “the availability of public transport, parking facilities, topography and ease of pedestrian access to the branches themselves”. The public consultation commenced on 25th February 2004 and runs through until 7th April 2004.

Flourishing Neighbourhoods

- 5.4 The Highbury 3 conference in February 2001 identified as a top priority for the city’s future development the need to raise substantially the quality of life in the city’s neighbourhoods – to shift the balance of priorities in investment for regeneration and renewal by replicating the success of the city centre renaissance in local neighbourhoods. The ‘Flourishing Neighbourhoods’ agenda provides the crucial strategic context for the city’s Neighbourhood Renewal Strategy.
- 5.5 The Neighbourhood Renewal Strategy⁶ identifies three main objectives for the city’s neighbourhoods – social cohesion, competitiveness and good governance. The second – competitiveness includes “local prosperity and high employment levels, thriving shops and services, sustainable housing market and a clean, attractive and safe physical environment”. The presence of Post Office branches in neighbourhood shopping precincts and parades has a critical role in providing a commercial hub around which other retail and local business activity is based. The removal of 29 Post Office branches is likely to have a significant impact on the viability of smaller retail outlets and, as a consequence, on the strategy of building flourishing neighbourhoods across the city.

Consideration by Birmingham City Council and others

- 5.6 The Post Office Ltd’s proposed closures have been considered by a

⁶ Flourishing Neighbourhoods: Birmingham’s Neighbourhood renewal Strategy, 2003, Birmingham’s City Strategic Partnership.



number of decision-making channels within the City-Council within the six week consultation period. These include:

5.6.1 Executive - Cabinet

The Cabinet meeting of 4 April 2004 will receive and agree the executive response.

5.7 Overview and Scrutiny Committee (Regeneration)

5.7.1 The Overview and Scrutiny Committee (Regeneration) agreed the terms of reference of the review, noted the progress made to date by the Working Group and charged that the Working Group should complete its report and submit this to the Cabinet on the 4th April 2004.

5.8 Full Council

5.8.1 The City Council will receive relevant petitions, as per the constitutional framework for city governance, on 6th April 2004 including any resolutions which may cover the Post Office proposed closures.

5.9 District and Ward Committees

5.9.1 Resolutions and petitions from District and Ward Committees will be submitted to Post Office Ltd. This Scrutiny report draws on relevant points from these in its submission to Cabinet.

5.10 Local Press

5.10.1 The *Evening Mail* has featured the closures strongly and feedback from them on readers' responses is included in the Scrutiny report.

5.11 Local M.P.s

5.11.1 The following M.P's Constituents are affected by the closure programme and may be submitting individual response. The Scrutiny report includes a flavour of responses received from:

- Edgbaston – Gisela Stuart
- Hall Green – Stephen McCabe
- Northfield – Richard Burden
- Selly Oak – Lynne Jones
- Yardley – Estelle Morris



As well as:

- Bromsgrove – Julie Kirkbride

6: Findings – The Inquiry

6.1 Scope, work programme and terms of reference of the review

6.1.1 A Scrutiny Review Working Group was set up from the City Council's Regeneration Overview and Scrutiny Committee following the consultation document on 29 proposed Post Office branch closures in Birmingham. Given the tight timetable, dictated by the short consultation period between 25th February 2004 and 7th April 2004, there has only been a limited opportunity for the Working Group to meet and consider evidence from relevant agencies. However, it has been able, despite this time constraint, to meet on three occasions and consider a wide variety of inputs from a number of parties and also to arrange and undertake a visit to Bolton where a similar Network Review and closure programme has been experienced in the recent past. This includes:

- **Session one** – Working Group meeting of 10 March 2004. This developed terms of reference, membership of the Working Group and an outline programme.
- **Session two** – Working Group meeting of 15 March 2004. This scrutinised oral presentations from Post Office Ltd, The National Federation of Post Office Masters.
- **Session three** – Working Group site visit to Bolton of 19 March 2004. This included interviews with the Bolton Evening News, Post Office Masters, retail managers and the Metropolitan Council.
- **Session four** – Working Group meeting of 22 March 2004. This scrutinised oral presentations by Post Watch, the Coalition of Disabled People, the Federation of Small Businesses and representatives from Neighbourhood Forums from within Birmingham City.
- **Session five** – Meeting of the Regeneration Overview and Scrutiny Committee of 25 March 2004. This received a verbal update on the Working Group review programme and agreed its terms of reference.



- **Session six** – Working Group meeting of 1 April. This meeting agreed the draft report and recommendations and the submission of a unified response from the City Council to Post Office Ltd.

6.2 Summary of the deliberation and evidence considered by the– Scrutiny Working Group.

- 6.2.1 The terms of reference agreed are at paragraph 4.
- 6.2.2 The notes of the main sessions of the Inquiry are in the appendix.

6.3 Executive report

- 6.3.1 The Executive report has been used to inform and shape the review around economic development and regeneration issues, context, accessibility, flourishing neighbourhoods and deprive communities. Both executive and scrutiny reports present a seamless presentation of the implications of the closures and recommendations for greater partnership and dialogue with Post Office Ltd.

6.3.2 District Committees

The new district committee affected by the post office closure include, Northfield, Sparkbrook and Small Heath, Yardley Selly Oak, and Hall Green

We know that some of these committee have been able to consider the proposals and develop their own resolutions in response to these, for example Northfield, Sparkbrook and Hall Green. These are included in paragraph 7.2.



7 Appendices

7.1 Notes of Scrutiny Working Group Sessions.

BIRMINGHAM CITY COUNCIL

SCRUTINY
REVIEW
WORKING
GROUP -
PROPOSED
CLOSURE OF
LOCAL POST
OFFICES
10 MARCH
2004

NOTES OF MEETING OF THE
SCRUTINY REVIEW WORKING
GROUP HELD ON WEDNESDAY 10
MARCH 2004 AT 1400 HOURS IN
COMMITTEE ROOM 1 COUNCIL
HOUSE, BIRMINGHAM

PRESENT: - Councillor Reg Corns (Chairman)

Councillors John Clancy, Alistair Dow, James
Hutchings and Timothy Huxtable.

APOLOGIES

1. No apologies for absence were received.

1.1 PROPOSED CLOSURE OF LOCAL POST OFFICES

Councillor Reg. Corns made reference to the programme submitted by Royal Mail Plc to consider the closure of a number of local post offices within the City. He indicated that a consultation exercise on these proposals would be undertaken. However, he expressed the view that it was essential that the Scrutiny Review Group should ascertain as to whether the consultation exercise



was genuine or as to whether the decision had already been taken to close the various local post offices. It was noted that the consultation period closed on 7 April 2004.

Councillor Alistair Dow supported this view as he was concerned that the decision had already been taken.

It was then explained by Mr. Steve Vickers that the Group had to agree the scoping for the Review. A provisional draft for this had been circulated at the meeting. This was aimed at understanding the rationale for the Review. In discussing the Terms of Reference it was agreed that within the reasons for the Review it was agreed that reference should be made to the elderly, mothers (with children) because closures would seriously impact upon these. Another issue arising from discussion of the approved Terms of Reference and the implications of the possible closures was the effect this would have on local communities.

Councillor John Clancy was of the opinion that there was a need to the look at the wider picture. He made reference to the announcements made in January, 2002 of the possible closure of Post Offices and he wondered if these latest announcements for the closure of Offices within the Urban Areas were to compensate for possible closures in rural areas. He also made reference to the One Stop Shops which were being taken over by Tesco and wondered if it was part of the overall rationale to close Post Offices or could there be additional closures if Tesco adopted this policy.

Councillor Reginald Corns expressed concerns that where Supermarkets incorporated Post Offices at the rear of the premises customers felt under pressure to purchase additional goods which should not be the case.

Discussion also ensued on the fact it was considered in many cases the Post Offices had a social role to play within the local communities.

Mr. Steve Vickers introduced Mr. Eifor Jones who was to be the Lead Officer for the Review.

It was noted that in the Terms of Reference it was stated that the relevant Cabinet Member was Councillor Mick Rice, Cabinet Member for Local Services and it was considered by the Working Group that Councillor Andrew Coulson, the Cabinet Member for Regeneration should also be included.

Steve Vickers made reference to those organisations which had been asked to attend. These included the following:-

- Post Office Limited - Michael Doulton
Angela King.



He emphasised that these would be present at the meeting scheduled to take place on 15 March, 2004. He explained to members, however, that they would not be prepared to comment on the proposed closure of specific Post Offices. He also indicated that he was hoping that a representative from Age Concern would be present and a representative from the National Federation of Sub-Masters. He also indicated that there would be merit in contacting a consumer group to come along.

Having regard to the time available he considered that there would not be time to hold more than two additional meetings. It was also suggested that a map should be provided showing the number of Post Offices to be closed within the specific areas of Urban deprivation. It was considered that this would strengthen the Working Groups questions to be asked to the Royal Mail representatives at the meeting on 15 March, 2004.

Councillor James Hutchings indicated that he would like to see a Post Master under threat but who supported the proposals and a Post Master who was under threat but who would be adversely affected by them.

The Chairman indicated that he was proposing to visit Bolton with Councillor Alistair Dow on Friday 19 March 2004 to examine at first hand the impact on local communities as a consequence of local closures.

It was also explained by Eifor Jones that a report was being submitted to the Northfield Constituency Committee regarding the proposed closure of Post Offices in that area. The Chairman expressed the view that this should be a common paper to go to all Constituency Committees. He also expressed the view that it was essential that the right questions were asked at the meetings. Examples of questions included: -

- Did the Post Office consider alternative Plans?
- To what extent has the Government been involved?
- What impact has this had on the Post Office's Charter and the Public?
- What level of work undertaken at a Post Office was Post Office, Central Government and Local Government related?
- How would redundancy packages be funded?
- Had any requests been made of local businesses to ascertain if they were prepared to accommodate the lost post office services?
- What alternative options had been pursued, if any, in the event of the closures being pursued?
- Had the post offices considered the implications for the Central Post Offices in terms of increased numbers using them and the quality of service provided?

Reference was also made to a letter received by the Chief



Executive dated 25 February, 2004 which had provided the Council with only until 10 March, 2004 to comment on the Network Reinvention Programme

Councillor Alistair Dow was of the opinion that it was essential that local post offices were kept open. He did express some concerns that with pensions and many Benefits being paid directly into bank accounts this had reduced the responsibilities of the Post Offices. However, he still considered that it was essential that they were left open a social service.

Councillor Clancy again made reference to his concerns about Tesco's One Stop Shop policy and the possible closure of post offices, however, he was informed that there was only one such post office potentially affected within the city under this arrangement.

Councillor Alistair Dow made reference to the fact that there proposals were not advertised very well and there has been little time for formal consultation to take place.

Discussion also ensued as to whether there were any infrastructure plans that the Working Group should be made aware of.

With regard to the letter requiring comments by 10 March, 2004 it was considered that the Council had insufficient time to comment. Some concerns were also expressed that with the subject matter crosscutting various service departments it was essential that the reply to the proposals was consistent.

Councillor John Clancy expressed the view that Members should ascertain information relating to the proposals in the event of the options being pursued.

Consideration was also given to a question be asked as to whether the Royal mail Plc had considered asking local businesses with an interest to consider providing the service within their premises. For this reason it was suggested that the Federation of Small Businesses should also be invited to attend a future meeting to give evidence, if possible.

Finally at this stage Councillor Corns made reference to the fact the closure of local Post Offices would only place pressure upon the more central offices.

The meeting ended at 1510 hours.



BIRMINGHAM CITY COUNCIL

SCRUTINY
REVIEW
WORKING
GROUP -
PROPOSED
CLOSURE OF
LOCAL POST
OFFICES -
15 MARCH
2004

**NOTES OF A MEETING OF THE
SCRUTINY REVIEW WORKING
GROUP HELD ON MONDAY 15
MARCH 2004 AT 1000 HOURS IN
COMMITTEE ROOM 2 COUNCIL
HOUSE, BIRMINGHAM**

PRESENT: - Councillor Reg Corns (Chairman)

Councillors John Clancy, Talib Hussain, James
Hutchings, Timothy Huxtable and Keith Linnecor.

APOLOGIES FOR ABSENCE

1. Apologies for absence were received from Councillors Alistair Dow and Gordon Green.

2. PROPOSED CLOSURE OF LOCAL POST OFFICES

Further to the meeting held on Wednesday, 10 March, it was explained that this session would seek the submission of evidence from key interested parties regarding the proposed closures.



The first representatives to provide information were the following:

Mr. Mike Dalton Head of Group Communications and Ms. Angela King - External Relations Manager - Post Office Limited

Councillor Corns sought clarification regarding the interrelationship between the Royal Mail and the Post Office Charter. It was explained that the operation was under licence and regulated. Post Office Services operated in 2 ways. For example the Government subsidised the rural network whereas the urban network was required to operate on an economically viable basis.

It was explained to Members that there were now too few customers to merit the retention of all of the post offices in the City. It was emphasised however that the Post Office were endeavouring to ensure that 95% of the public would have access to a Post Office within 1 mile.

Councillor Corns then asked the representatives as to what their definition was of consultation. He expressed concerns that the consultation was merely an exercise with the final decision to close the offices having already been made.

In response it was explained that there had been a lot of misrepresentation regarding consultation. It was emphasised by the representatives present that they were looking forward to receiving quality feedback and that they would take into account such issues as: -

- Distance
- Availability of Public Transport
- Implications of re-development and new development of areas placing a demand on the need for new Post Office branches etc.

Members were re-assured that they would consider changing their proposals if evidence was provided to support these kind of issues.

Councillor Keith Linnecor sought clarification as to what extent consultation had taken place at Ward level. It was emphasised by the representatives that the letter of consultation had been forwarded to the Chief Executive of the authority and, in their opinion, it was her duty to disseminate the information.

Councillor Timothy Huxtable also confirmed that no consultation had taken place at ward level and he indicated that he would like to know how it would affect the local neighbourhoods. He, too, made reference to the Post Office Limited's one mile criteria for the closure of Post Offices. He expressed concerns at the impact



this would have on: -

- Capacity placed on those Post Offices that were to remain open,
- The disabled,
- Safety for those users who would be having to walk a greater distance to reach their Post Office,
- The reduction in service to the general public.

In response, it was explained that consultation was standard practice in that liaison took place with the general public. Public notices were placed in the local post offices with the opportunity of comments being submitted. In turn these would be fed back.

It was acknowledged that it was a capacity issue and that it was essential that the Post Office ensured that the final service provided was satisfactory as a result of this exercise.

It was noted that in selective branches £130,000 had been provided to enable improvements to the service to be made. This work included providing improved services and also meeting the criteria of Access arrangements as set out in Government Legislation.

It was emphasised that following a change in Government Policy the Department of Work and Pensions had, 18 months ago, introduced changes whereby many benefits would be paid direct into bank accounts etc. This had diminished the role of the Post Offices and as a consequence the demand for Post Office work had reduced significantly.

It was explained to the Working Group that the Post Office was moving forward with ideas and an example of this was the proposed introduction of the Post Office Card Accounts. These were aimed at increasing security but placed less demand on the actual staff within the Offices.

Councillor Reginald Corns then sought clarification as to the Post Offices interpretation for the closure of the Post Offices vis-à-vis the calculation of the mile. In particular, he asked if this related to the mile as the crow flies. If so he expressed concerns that this calculation would fail to take into account the following: -

- The level and undulation of roads
- The undulation of the area which could have an adverse impact on the elderly
- Safety in terms of the desirability of some of the routes that would have to be taken
- The requirement for people to wait outside in view of the increase in capacity of those Post Offices which were to remain open.



He asked for clarification as to how this was calculated in detail.

In response, it was explained that some would benefit by the closure as the distances would be less and that it would not be a mile for everyone concerned. The Post Office representatives also confirmed that distance had been taken into account in that a member of the team would have walked the proposed routes and issues such as the availability of Public Transport were also considered.

With regard to safety it was acknowledged that the Post Office had a duty up to a point but there became a stage at which the safety of its customers ceased to be that organisations responsibility.

The representatives for the City Council considered that it had had a very limited opportunity to comment on the proposals.

Councillor Timothy Huxtable made reference to the policy of trying to ensure that 95% of Post offices would be within one mile. In this respect, he drew the Post Office representatives attention to two particular Post Offices. In both cases they were not easy walks and were both over 1.3 miles. He also made reference to alternative Post Offices within his area being of an unacceptable undulation/gradient for the elderly and less able.

In response to this the representatives expressed the view that the majority would fall within the one-mile criteria. They also considered that this was part of the purpose of the consultation exercise that local people eg. Councillors would be afforded the opportunity to provide information relating to the localities which would put forward a rational case for the non-closure of the Post Offices concerned. They refuted any claim that spin had been put on the advertising of the closures to secure their objective of reducing the level of Post Offices in the area.

Discussion then ensued regarding the policy of closing, for example 2 Post Offices and balancing this by closing one and keeping the other open. In response to this the Post Office indicated that there was simply not enough time. Referring again to the decline in revenue and, having regard to a MORI survey, it was emphasised that in many cases it was not commercially viable. However, it was emphasised that if a case for the retention of a Post office in an area could be proven then it would not be ignored. Reference was made to the proposed closure of 3 at Tamworth but as a result of new development a new Post Office had been provided.

Councillor James Hutchings made reference to the importance of Post Offices both rurally and in urban areas. However, he could not understand the Government's rationale for retaining those in rural areas but closing the ones in urban areas. The response to this was based on the case of accessibility. It was considered that



the closure of Post Offices in rural areas meant that the nearest Post Office was often several miles away. This did not apply in the Urban Areas and was certainly not the case in Birmingham.

Councillor Hutchings also expressed the view that it was purely the financial element of the Post Offices that was determining whether they should remain open rather than taken into account their social objectives.

The representatives for the Post Office, at this stage, re-emphasised that with the Government's policy the level of income being dealt with at Post Offices had in fact fallen by approximately 60%. Consequently, in many cases it was just not profitable for some Post Offices to remain open. It was emphasised that the margins of profitability were tight in respect of all transactions made.

Councillor Keith Linnecor indicated that he hoped the Post Office would give greater consideration to the undulation bearing in mind the Post offices in his area and the impact this had for the elderly and disabled. He then asked what had the Post Offices done to diversify in the light of the Government's proposals regarding the allocation of benefits etc into Bank Accounts etc.

It was explained that services were being expanded/introduced and that work was being undertaken to explore other initiatives. Examples included:-

- A range of financial services, and
- Provision of Insurance facilities

The representatives indicated that they were acutely aware of the need to find replacement business.

Councillor Reginald Corns then asked if the Post Office staff were notified of the compensation packages available to them. It was indicated that the first time around this was not the case but second time staff were informed that there would be about two years remuneration which represented the market rate for about two years ago.

Councillor Reginald Corns then asked if the representatives had considered allowing other businesses to take over the service where an interest was expressed. The response to this was that it depended upon whether the business was profitable. It was acknowledged that there could be the potential for closing two and opening one.

Councillor Timothy Huxtable sought clarification as to whether the Post Office would re-consider the criteria for closure particularly where there were pockets of deprivation. The Post Office



representatives re-assured members that they would and indicated that the key role for elected members and other bodies would be to identify issues and concerns such as these.

Councillor John Clancy made reference to the situation whereby Tesco's had bought out the One Stop Shops and were opting to close the various Post Offices within these premises by serving the requisite Notice to terminate the Agreements.

He sought clarification as to whether there would be further closures.

It was explained by the representatives that where One Stop Shop Post Offices were closed in the rural areas they would ensure that a replacement Post Office would be provided, however, in the Urban Areas there would be no duty to undertake this. It was emphasised that the Tesco's were a financial concern and in many cases the Post Offices within the One Stop Shops were not generating sufficient income.

Councillor James Hutchings sought clarification as to what the attitude of the Government was to these various proposals. In response it was reported that the Government and the House of Commons had supported the proposals at the outset although some concerns had been expressed about the Deployment Programme.

The Chairman sought clarification as to what level of work in the Post Offices was commercially driven. It was explained that this varied from office to office. Some were dealing with primarily Benefits and other related issues whereas others had a significant level of commercial trade.

Information was then sought about the redundancy packages. It was explained that this would be funded by Central Government. Discussion took place on the formula for the calculation of the compensation packages etc. Similarly clarification was sought as to the level of consultation which had taken place with Special Interest Groups such as Post Watch seeking their views on the various proposals.

Reference was made to the question of possible legal redress for the closure of premises. In this respect it was understood that there was no legal redress and that customers did not have a statutory right of appeal. However it was re-emphasised by the representatives for the Post Office that it was not a *fait accompli* and that they were prepared to listen to representations submitted.

They were then thanked by the Chairman for attending the meeting.



Mrs. Carol Butler - Business Manager - Age Concern

Mrs. Butler reported that, on behalf of the National Branch of Age Concern, the organisation wanted a viable Post Office network and had reluctantly accepted what was in the "Performance and Innovation Unit report" that there needed to be a reduction in Post Offices in urban areas to enable the network to flourish. She reported that the organisation acknowledged that in some areas there would be too many Post Offices which would not be viable. She also acknowledged that many old people were concerned about the implications that this would have. She then explained the inter-relationship between the various local branches which had financial autonomy but in terms of policy had to adhere to National directives.

Councillor James Hutchings expressed some surprise at the fact the local branches could not express their own views bearing in mind the impact of closures that these could have on the local areas.

Councillor Corns expressed the view that he would have thought it possible to express concerns about the implications at local level but clearly this was not possible.

Councillor Corns sought confirmation as to whether her branch of Age Concern had been invited to comment rather than just one letter having been sent to the Central Office in London. He was of the opinion that the Post Office should have undertaken local consultation.

Councillor Reginald Corns then thanked Mrs. Butler for giving evidence to the Group.

Mr J Choudry – Representing the National Federation of Postmasters

Mr. Choudry indicated that no Post Office had been forced to close. All officers who would cease to be employed by the Post Office had indicated that they had accepted the proposals on a voluntary basis. He explained that with the change in the market in terms of the demand for Post Office services many offices were no longer financially viable.

In response to this the Chairman indicated that whilst they were going voluntarily they were accepting an attractive compensation package.



Mr. Choudry confirmed this but emphasised in many cases Postmasters had had to accept a down turn in trade of up to 40% which many considered to be unacceptable.

Councillor Corns sought clarification as to what representations were made regarding the proposed closures. In response to this the union representative indicated in many cases the proposals were supported in view of the way in which many sub-office managers were paid.

For example it was emphasised that they were paid only 4p for every transaction irrespective of the size of the transaction. Child Benefit, Child Tax Credit were now being paid into bank accounts. As a result of this there had been a reduction in trade and as a consequence Post Office masters were making efforts to secure the greater use of Post Offices.

Councillor Timothy Huxtable, whilst acknowledging the concern that level of service had reduced, expressed concern every effort should be made to provide a first class service. He was also concerned that a reduction in the number of offices would impact on the following:-

- Disabled Groups
- Mothers with children having to carry shopping etc
- Travel arrangements

Mr. Choudry explained that some staff were on the minimum wage and even with 28 months compensation this would only provide them with the chance to support them until alternative employment was sought.

It was also emphasised that customers had been lost to the banks although it was anticipated that over a period of time it was envisaged this custom could be recovered.

Reference was made to initiatives aimed at increasing market trade. These included:

- Post Office Card Accounts (P.O.C.A.)
- Swipe cards
- Pin Points, and
- Bank Accounts

It was explained that under the P. O.C.A. one could go into any Post Office in the country and collect money. It was considered that these initiatives would re-secure business.

Councillor Timothy Huxtable asked that if it was proposed to close three post offices then wouldn't the retention of one of these make it viable. It was explained that one of the key problems was that



for a considerable period of time they had had limited services to offer. However they were now exploring areas including: -

- Currency
- Car tax
- Availability of Euros

It was explained that Sub-Post masters were under the impression that closures and redundancies were inevitable, however, it was emphasised that whilst the staff had been informed of these and volunteers sought it had been emphasised that there was no guarantee that they would all be allowed to receive this.

Councillor John Clancy made further reference to Tesco's taking over the One Stop Shops in rural areas and asked who would be funding the compensation packages. It was explained that these were effectively subsidised by the Government which led to an imbalance between Rural and Urban Post Offices. He was of the opinion that the rural areas were effectively receiving an improved deal.

In response to this it was explained that there were several categories of Post Office. These included the following:

- Crown Offices
- Modified Offices which had been sold off
- Franchise Offices
- Major Chain Offices

The representative explained that £150 million had previously been provided over a three year period during which Urban Post Offices had benefited. Now, however, the balance had been reversed in favour of rural areas.

The Chairman then made reference to the card system and sought clarification as to how many clients would be able to obtain the card system. It was explained that all efforts would be made to provide additional services however he was concerned that in some cases the amount of trade within the premises which were open six days of the week was as little as four hours/week in trade. This was clearly not viable.

Councillor Talib Hussain expressed considerable concern at the proposals and how these could impact on the Post Office at Sparkbrook which was already extremely busy. He argued the case that there was no room for additional capacity to accommodate other customers and that there was already sufficient demand to put forward a case for another office in this area.

It was emphasised that Post Offices played a fundamental role in



securing vibrant communities and that their closures could undermine these. It was considered that both banks and post offices had a fundamental role to play in this respect.

Reference was made to the Queslett Road ASDA where a Lloyds bank had been located within the store. However, notice had been served on the bank and because of this it was considered that there would be a migration of customers back to the local Post Office.

Councillor James Hutchings indicated that one of the problems appeared to be too many branches with not enough customers and as a consequence it was not viable to retain them all.

In response it was emphasised that the surfeit in the number of Post Offices was primarily a product of the Government's proposals.

It was emphasised by the representative that when the Government chose to amend the arrangements for payment of benefit a substantial amount of trade had been lost. He emphasised that the payment for some transactions was only 10p. As a consequence, there had been a significant drop off in custom.

Councillor John Clancy sought clarification as to the level of take up of the Post Office Card. In this respect it was emphasised that the Government had not encouraged take up of the card.

Before the end of the meeting Councillor Timothy Huxtable submitted a petition containing signatures from persons opposing the proposed closure.

The Chairman then allowed a member of the public to comment on the impact closures would have on her. She explained that this would create considerable difficulties for her having regard to the distance to walk and the gradient of the hill. It would also mean that she would become totally dependant on the ring and ride service.

The Chairman then thanked her for those comments.

At the conclusion of the evidence gathering sessions members then considered appropriate action to be taken. It was suggested at the outset that a case should be put forward for 2/3 of the offices to be retained, however, members then considered it would be more appropriate for all of them to be retained.

It was then suggested at the outset by the Chairman that there was possibly a need for public meetings to be called to enable the Post Office to address formally the public on the proposals.

Councillor John Clancy made reference to the cross Party support opposing the proposed closures and put forward a case that the City Council should argue for the retention of all of the offices and that the



Group should question the need for the closure Programme. He also expressed some concern at the policy whereby a replacement Post Office

would be provided when Notice was served on One Stop Shop Post Offices in rural areas but no such similar policy existed in the urban areas.

The meeting ended at 1150 hours.

CHAIRPERSON



BIRMINGHAM CITY COUNCIL

SCRUTINY
REVIEW
WORKING
GROUP -
PROPOSED
CLOSURE OF
LOCAL POST
OFFICES -
22 MARCH
2004

**NOTES OF A MEETING OF THE
SCRUTINY REVIEW WORKING
GROUP HELD ON MONDAY 22
MARCH 2004 AT 1030 HOURS IN
COMMITTEE ROOM 2 COUNCIL
HOUSE, BIRMINGHAM**

PRESENT: - Councillor Reg Corns (Chairman)

Councillors Alistair Dow, James Hutchings and
Timothy Huxtable.

APOLOGIES FOR ABSENCE

- 5 Apologies for absence were received from Councillors John Clancy,
Alistair Dow and Gordon Green.

PROPOSED CLOSURE OF LOCAL POST OFFICES

Further to the meeting held on Monday 15 March 2004, it was explained that this session would seek the submission of evidence of key interested parties regarding the proposed closure of the 29 Post Offices in the southern side of the City. Before this was proceeded with the Chairman made reference to the visit to the Bolton Metropolitan Borough Council on 19 March 2004. He explained that this was an authority that had already experienced Post Office closures. Arising



from the visit he reported the following: -

- (i) He needed to seek clarification as to why the criteria for the number of Post Offices within one mile of residents was 90-95% in Bolton but only 85% in Birmingham.
- (ii) He noted that a number of small businesses used Post Offices to bank and as a consequence their closure increased the risk in terms of safety and accessibility and had an adverse impact on efficiency.
- (iii) The closure of the Post Offices had resulted in a loss of a facility which provided an arena for social inclusion. Their closure would undermine any Flourishing Neighbourhood Policy that this City Council would have. It was considered that the Post Offices played an integral part in terms of local neighbourhoods.

In view of the above it was felt the Government should reflect on the policy in view of the impact of the closures could have on the elderly and hard to reach social groups. It was noted that, contrary to popular belief, many of the elderly were reluctant to use public transport to access other facilities. It was considered, therefore, that the Government should re-examine its proposals. It was explained by Councillor Corns that 5 Post Offices had been visited. Representatives from the local authority had been met to ascertain what action they had taken. It was explained to the Working Group that this Council had adopted a more proactive approach. He also re-emphasised that the Council was being misled in terms of (1) the distance criteria and (2) social isolation.

Representatives from the Coalition for the Disabled

Consideration was given to the representations submitted by the above organisation. It was explained, (1) that they felt isolated and (2) considered that these proposals would reduce the level of social inclusion. They expressed the view that the proposed closure of the Post Offices would further increase the level of isolation. They also indicated that with such closures, they would be required to use the banks which were less user friendly for those with access problems. The Chairman, Councillor Reginald Corns made reference to one Post Office which had converted its access arrangements to facilitate for the disabled. However, the representatives indicated that within the meaning of the legislation, many of the access facilities did not comply therewith.

One of the representatives for the Association made reference to the fact that where Post Offices exceeded half a mile; they considered themselves to be disadvantaged. Furthermore a representative made reference to the fact it was illegal to pass on one's PIN number to enable a third party to obtain money on their behalf. The representatives reiterated their view that the proposed closures would increase social



exclusion and that this was a consideration which had not been taken account of, the Chairman then thanked the representatives for their attendance.

REPRESENTATIVE FROM POSTWATCH

The Chairman sought clarification from Postwatch as to whether they took into account social issues when closures were being considered. In this respect, they replied that they considered the following: -

- Social
- Economic
- Demographic
- Other issues relating to the proposed closures

They emphasised that all of these were considered. The Chairman also sought clarification as to when consultation was being undertaken regarding the proposed closure was the wider picture taken into account in commenting on proposals.

Again Postwatch indicated that this was the case.

They emphasised they took into account the following: -

- Implications for the disabled.
- Access/transport arrangements.
- Safety implications for users.

They indicated that many people were creatures of habit and whilst it was suggested to them that they may wish to use Post Offices at an alternative time to avoid queuing etc it was often the case that they did not wish to change.

Councillor Alistair Dow made reference to the fact that 85% of the Post Offices would be within a mile of local residents was in fact potentially a distorted figure. He expressed the view that the remaining 15% could be the key number of customers using the Post Offices.

This was acknowledged and it was re-emphasised that whilst 85% would be within a mile (as the crow flies) many ranging between 29 to 37% would be residing over one mile taking into account the undulation of various streets that would have to be walked to access the offices. It was considered that 35% of the population having to walk more than one mile to a local Post Office was totally unacceptable. Clarification was sought by Members as to whether Postwatch had considerable influence when proposals were put forward to close a series of offices. They answered this in the affirmative, making reference to a case where they had secured the reversal of a decision to close an office in the



Tamworth area.

The representative indicated that whilst they would not secure the prevention of all closures they would endeavour to ensure that the right decisions were made and where these made, the Post Office could totally justify these decisions.

Councillor James Hutchings made reference to the financial situation of the Post Office which was £190m in arrears and sought clarification as to whether it was their overseas ventures that had led to this financial position. In response it was considered that this question should be directed at the Post Office representatives.

Councillor Hutchings also made reference to the fact that on the one hand reference was being made to the offices being extremely busy, yet on the other hand, they were losing money. He sought clarification as to what impact the proposals would have on the Birmingham City Council's policy of Flourishing Neighbourhoods.

It also made reference to the fact that the Post Offices also sold additional goods and wondered whether these could compensate for the low return. In this respect reference was made to the comments made by Mr Mike Dalton at the previous meeting regarding the return on one transaction. It was emphasised that it was cheaper for the Government to pay various benefits into banks and as a result the amount of income lost was on average 40%. Particular concern was expressed about the social implications of the proposed closures bearing in mind that they were now three years into the scheme. Consequently, it was imperative that the correct Post Offices remained open.

Councillor James Hutchings sought clarification as to what action Postwatch was undertaking to fight the proposals. In response to this, it was explained that they had the right to review and that there was an appeals system in place and, provided valued grounds were put forward e.g. Regeneration and Geography, it was possible that the organisation could ensure particular offices didn't close.

Councillor Reginald Corns made reference to the recent boundary changes which had demonstrated that there had been an increase in population within the Birmingham City. Consequently, he considered that this would provide a case for more offices to be retained bearing in mind the demand on capacity. Councillor Timothy Huxtable sought clarification as to whether any action had been undertaken regarding the proposed closure of these Post Offices. In particular, he made reference to the implications of an acceptable level of capacity at other Post Offices. He also wondered whether this could be quantified in terms of an acceptable number of branches. He also sought clarification of recommendations of Postwatch were made taking this into account. He indicated that some Post Offices had extremely good access arrangements in terms of both public transport and vehicular parking. However, he made reference to particular Post Offices that he considered would have a serious impact on the local community.



Postwatch reassured Members that when they examined the proposed closure of a Post Office they took into account the number of users, the location, safety implications etc for all those concerned.

Concern was also expressed by the Working Group, in the light of information received at the last meeting, that the rural network was in fact subsidised whereas the urban network was having to operate on a financially viable basis. This was considered to be inequitous.

Mr Ifor Jones made reference to the fact that he understood the national standard for the provision of a Post Office to be 5km and not one mile. It was explained to him that this took into account the rural criteria as well as urban.

The Chairman sought clarification as to whether consideration had ever been given to the introduction of mini Post Offices in alternative business premises. In this respect it was explained that the Post Offices policy was, to close the premises and to provide no immediate ones in close proximity.

Discussion then ensued regarding the compensation levels offered to staff which were understood to be in the region of £25,000. Councillor Corns, the Chairman indicated that he considered the compensation to be the equivalent of redundancy for which he felt there should be an increase in efficiency in the organisation. For this reason alone it was explained that should it be decided to close a particular Post Office then a new one would not be allowed in the area.

The Chairman then thanked the representatives from Postwatch for the submission of their evidence.

**REPRESENTATIVES FROM THE NEIGHBOURHOOD FORUMS
WITHIN THE BIRMINGHAM CITY INCLUDING MR MARTIN
TOLMAN, BARRY TOON AND MRS D SPIERS**

Consideration was given to a letter from the Birmingham Association of Neighbourhood Forums dated 22 March 2004 which set out the concerns of the organisation with regard to the proposed closures. These concerns included: -

- (i) Accessibility,
- (ii) Safety,
- (iii) The loss of a friendly caring service,
- (iv) The lost of the heart of the shopping centre parade,
- (v) The loss of a quality service,
- (vi) The impact on local businesses,



(vii) Environment,

(viii) Adding to disadvantage.

Other issues addressed in the same letter related to the following: -

The impact on a service or money making business,

The lack of consultation,

The potential for judicial review,

A National Strategy.

A copy of this letter is attached at the Minutes (See document No. 1).

The Chairman thanked Mr Martin Tolman for the well collated information.

Mr Toon was then invited to comment on the implications of the proposal. He stated that they: -

Impacted on a range of people and the social tapestry of local areas.

Post Offices were not just a business but were part of the social fabric being an area in which people met, exchanged information, and he genuinely believed it was a retrograde step should these closures go ahead.

Furthermore, he expressed concerns about the Health and Safety implications having regard to the increase in distance that the elderly would be having to travel and particularly having regard to the increase in crime in the areas.

Mrs Spiers then commented on the implications of the proposed closure of Dog Pool Office at Cotteridge and made reference to the lack of car park facilities in the area and she also made reference to the fact that buses often wouldn't stop for the disabled people.

Councillor Alistair Dow made reference at this stage to the fact that quite a few of the Post Offices were used as banks. He noted that on the visit to Bolton that there were many places in which it was not possible to obtain second class stamps.

Mrs Spiers also made reference to the PIN number card. She considered this not to be user friendly in that it was difficult to read and she found it difficult to remember her PIN number. She preferred to use her bank book. Councillor Timothy Huxtable sought clarification as to whether the Birmingham area of Neighbourhood Forums were working alongside the City Council on this issue bearing in mind any proposed closures would



negate the Council's proposals for Flourishing Neighbourhoods. In this respect the answer was emphatically yes. Furthermore, Councillor Huxtable emphasised that it would not be possible to support the concept of Flourishing Neighbourhoods without integrated services, including Post Offices.

Councillor Reginald Corns also made reference to the spin off effects for enterprises such as the local chemist. Often in the Flourishing Neighbourhood Chemists and Post Offices were on the same High Street. It was considered that their closure would have a serious impact on all the key facilities in these locations.

Councillor James Hutchings thanked Martin Tolman for the excellent paper and sought clarification as to what he meant by seeking judicial review. In response to this, Martin Tolman emphasised that there was a lack of clarity as to whether the Post Office was a private/public service. He was under the impression that if it was a public service then there was a possibility to seek a judicial review regarding the proposed closure.

The Chairman sought clarification as to how many forms were used within a Post Office. It was explained that there were 126 and whilst it was acknowledged that no one was asking the Post Office to pay for these it was considered that there should be a fair and reasonable payment.

It was emphasised by the representatives from Postwatch that local authorities and the Government bartered down the prices to secure Best Value. However, it was emphasised that Best Value was not always about providing goods at the cheapest price but was also about providing the best service. In many of these cases the services had been transferred to other agents, e.g. banks, however these did not have the same human touch as the Post Office. The Chairman, Councillor Reginald Corns then invited a representative from the Sub Postmasters to comment on the proposals. He indicated that with all the various changes introduced by Central Government, there had been a reduction of more than 40% in terms of key income. This was a target set by the Department of Work and Pensions. He explained that with the Government's objective of reducing the number of posts by 26,000 it formed part of a much larger objective. He emphasised that in many cases, the level of income per transaction was insufficient and bearing in mind that premises had to be acquired and National Non-Domestic Rates paid, it was understandable that many Sub Post Masters had taken the decision to secure compensation for the possible closure.

At this stage of the meeting the Chairman then thanked the representatives from the Neighbourhood Forums for their evidence and for the comments submitted by the representative from the Sub-Postmasters.



REPRESENTATIVES FROM THE NATIONAL FEDERATION OF SMALL BUSINESSES

Representatives from the National Federation of Small Business then submitted evidence regarding the proposed closure.

Mr Jonathan Heath indicated that he operated a small business which did not require a full time carrier. As a consequence he would arrange for his goods to be taken to the local Post Office. He explained that he had only 3-4 contracts per year and a consequence he used the local Post Office, therefore the proposed closure would impact upon his local business.

The Chairman sought clarification as to why this would be the case.

In response Mr Heath explained that he would have to travel further which would mean a loss of productive time. He emphasised that this accounted purely for his business and if he multiplied this across the country it would equate to several millions of pounds. He explained that on the one hand the Government was trying to encourage businesses to flourish, yet on the same hand by reducing services such as the Post Office this would have an immediate adverse impact upon them.

The representatives from the small businesses indicated that the small businesses were very flexible and had learnt to adapt to changing climates. They did, though, express the view that there had been a lack of real consultation regarding the proposals.

It was explained that when the MP's had voted in favour of the closures the impact of these had not been recognised.

Furthermore the closure date for the Post Office had been brought forward to the end of 2004 as opposed to the end of 2005.

The Chairman sought clarification as to whether there were any examples of how Post Offices had been saved and as to what the process was for.

Publication indicated that they received notification of the proposed closures one week in advance of the proposed consultation period. There was then the formal six weeks consultation period. During this period they had the right to lodge an appeal and a meeting would take place with representative at local level.

Stage 2 – would involve a national meeting with the third stage 3 – inviting the Chairman of the Postwatch and the Head of Post Office. It was explained that one had gone to level 3. It was explained that the Post Office regulator could also enforce a penalty.

Further discussion took place and Members expressed the views that the circumstances affecting the urban areas was not always different to the rural areas.



The meeting closed at 1230 hours

7.2 Resolutions from Ward and District Committees

Hall Green

"The Hall Green District Committee recognises the vital role of Post Offices in the local community and calls for a thorough reconsideration of the closure programme so as to ensure continuity of postal services in the Hall Green Constituency."

Northfield

"RESOLVED: -

(i) That it be noted that the Northfield Constituency Member of Parliament has already requested the Post Office Limited to extend the consultation period from 4 to 6 weeks;

(ii) that it be noted that the Post Office Limited were invited to attend today's meeting but given their inability to attend, this Committee fundamentally questions the Post Office's commitment to engage in meaningful consultation;

(iii) that the Post Office Limited be asked to work alongside elected representatives, community representatives, other stakeholders and Postwatch to ensure an adequate provision of Post Offices across the Northfield Constituency and to limit the impact of these proposals on vulnerable groups in order to meet the City Council's objective of promoting "flourishing neighbourhoods";

(iv) that the Post Office Network reinvention programme as detailed in Appendix A to the report now submitted be noted; and

(v) that the Northfield Constituency Director be requested to capture the discussion at today's meeting for inclusion in a formal response to be prepared for the Chairperson of the Northfield Constituency Committee to be submitted to the Post Office Limited and the City Council's scrutiny process."

Sparkbrook

"Sparkbrook Ward Committee was particularly opposed to the closure of Ladypool Road Post Office on the grounds that it would affect both residents and businesses in the area. The area was densely populated with a large number of elderly residents who would experience difficulty in accessing alternative post



offices which would be some distance away. Ladypool Road post office was well used with queues at certain times and businesses would be affected as there were no banking facilities in that area. While the Post Office had leafleted residents, they had assumed that if people did not respond they were happy with the proposals and this was not the case.

Sparkbrook and Small Heath Constituency Committee unanimously passed a resolution (moved by Cllr Jerry Evans and seconded by Cllr Talib Hussain) as follows: -

"This Constituency Committee deprecates the decision to close 6 post offices in this area and asks that all existing post offices remain open".

Members also agreed to consult the communities affected individually and, where appropriate, to make separate representations based on the individual circumstances pertaining to each of the post offices."



7.2.1 Letters from Wards

Longbridge

Dear Mr Maisey

The District Committee for Northfield considered the proposed Post Office closures at its meeting on 13 March 2004.

The proposed closure programme of post offices will have a major impact across Northfield District, comprising the wards of Longbridge, Northfield and Weoley. In particular, Longbridge ward faces the prospect of a loss of four branches, with Weoley facing the loss of one branch. These include

Edgewood Road (Longbridge)
Farren Road (Longbridge)
Longbridge (Longbridge)
Sunbury Road (Longbridge)
Shenley Lane (Weoley)

The Committee, as well as agreeing a number of recommendations, raised several observations in relation to the closure programme and charged the District Director to capture these and include these in the Committee's response to the consultation.

1 Consultation

The consultation approach is not in keeping with the standards set out in the government's Code of Practice for Consultation. A six-week consultation period with no prior notice is woefully inadequate for committees at a District or Ward level to arrange adequate consultations and to develop a local response. For example, as the consultation was issued on 24 February this gave the Committee Chair and Director a few days to get the item on to the agenda, prepare a briefing and seek to get relevant speakers to the Committee. Whilst this was achieved, in all likelihood, this would be the exception rather than the rule as it would depend where each Committee – and there are five affected by the proposed closures – was in relation to its meeting cycle.

For example, If Northfield had not been able to move 'heaven and earth' to put the item on the agenda on 13 March it would not have been possible to consider the matter until 10 April, three days after the end of the consultation period. It was also noted that Post Office Ltd had not written to the local ward Councillors on the proposed closures.

2 Accessibility

It was noted that the Post Office Ltd's target is for 95% of people living in urban areas to live within one mile of a Post Office branch and the majority within half a mile. The Council's response to the proposed closures has included a detailed analysis of the distances people would have to travel following closure of branches to the nearest 'receiving' branch. This analysis noted that "Areas of poor accessibility are particularly striking around Longbridge/Frankley and



Stirchley/Bournville/Ten Acres, for both of which there are four closures proposed.

The Council's analysis indicates that following closure over a quarter of the affected population will live one kilometre or more from their nearest branch. These findings are in tune with the response from PostWatch who estimate that 20% of people will live a mile or more from the nearest Post Office branch following closure.

The District Committee was particularly concerned regarding the impact of this on older and more vulnerable residents. In Northfield all the proposed closures fall in areas which have significant numbers of older households.

One community representative noted that pensioners bus passes will not be valid for accessing the Rubery branch, one of the two 'receiving' branches for Longbridge and Edgewood Road, as these are only valid within the City of Birmingham.

3 Deprivation

The District Committee was also concerned on the impact of proposed closures on socio-economic groups which are at most risk of social exclusion in areas of high deprivation. Inevitably, in areas such as Northfield and Longbridge, with areas in the 10% most deprived and the 10-25% most deprived, the Ward most affected across the District, the programme will have a higher disproportionate impact on the local population as there will be a lower level of car ownership and greater dependency on public transport and on Post Offices to access cash.

4 Re-Development

The identification of four branches within Longbridge has not recognised the potential impact of upcoming residential and commercial developments within the area. Similarly, the residential redevelopment around the Tessall branch in Weoley have not been taken into account.

The recommendations agreed by the Committee were:

- (i) That it be noted that the Northfield Constituency Member of Parliament has already requested the Post Office Limited to extend the consultation period from 4 to 6 weeks;
- (ii) That it be noted that the Post Office Limited were invited to attend today's meeting but given their inability to attend, this Committee fundamentally questions the Post Office's commitment to engage in meaningful consultation;
- (iii) That the Post Office Limited be asked to work alongside elected representatives, community representatives, other stakeholders and Postwatch to ensure an adequate provision of Post Offices across the Northfield Constituency and to limit the impact of these proposals on vulnerable groups in order to meet the City Council's objective of promoting "flourishing neighbourhoods";



- (iv) That the Post Office Network reinvention programme as detailed in Appendix A to the report now submitted be noted; and
- (v) That the Northfield Constituency Director be requested to capture the discussion at today's meeting for inclusion in a formal response to be prepared for the Chairperson of the Northfield Constituency Committee to be submitted to the Post Office Limited and the City Council's scrutiny process.

In view of the above, it would be pertinent for Post Office Limited to reconsider their proposals and engage in consultation and a partnership approach to finding a sustainable and accessible network of Post Office provision in the Northfield area.

Yours sincerely

Councillor Steve Bedser
Chair"

Northfield

**"Cllr Les Lawrence
Chairman Northfield Ward Committee**

Ref: NFLD/Ward/POClos

30 March 2004

To: Paul Maisey

Subject: Post Office Closures Northfield Ward.

I write on behalf of myself, my colleagues and residents of the Northfield Ward, which is located in the Northfield Constituency in SW Birmingham with regard to the intention to close a significant number of local Post Offices across the SW of the City and our total opposition to it.

The announcement, its affect on many of our constituents and the speed and shortness of the consultation period have led to a view that the Post Office is going to close the designated offices irrespective of any coherent and cogent argument to the contrary. I trust therefore not only is this not true but you will be extending the consultation period and seeking to hold public meetings over the next few weeks to engage with the affected communities to determine the most appropriate cause of action that marries the needs of users with those of yourself as the service provider.

May I bring to your attention the following issues:

- Impact on community well-being – a legal responsibility of local authorities.



- Impact on accessibility to services, safety of residents particularly the vulnerable.
- The criteria for ascertaining unviable Post Office outlets i.e. national target of ensuring 95% of residents are within a mile of a Post Office.
- Development of additional services

Having studied the documentation issued to justify the closures no or very little regard has been paid to the issues listed in Para 3 above especially the last point. For a commercial organisation that purports to be customer orientated, the absence of a marketing strategy to sustain and underpin its growth appears to be a serious deficiency. It would appear that retrenchment is the order of the day.

We would in conjunction with many of my elected colleagues would be pleased to facilitate public meetings, work with you on sustainability and service improvement issues which in the long would benefit the Post Office, users and the communities which we represent. I trust therefore that the proposed closure plan can be suspended and the dialogue commenced.

Yours sincerely
Councillor Les Lawrence"

Sparkhill

"Dear Lesley

I am writing to express my opposition to the proposed closure of the Post Office branch at 126 Reddings Lane, Birmingham B11 3HD. Below I detail the key reason for opposing this specific closure. The strength of community opposition to the closure is illustrated by the petition we have collected opposing the closure, which was signed by 709 residents. This has been sent direct to the National Post Office Closure Consultation Team.

The closure of this particular branch will have a severe impact on the residents it serves. It is important to understand that the branch is sited on the border between 2 local authority wards, Fox Hollies and Small Heath. Both these wards are in the 10% most deprived as measured by the Government's Indices of Multiple Deprivation (2000).

These high levels of deprivation mean that the closure of the branch will affect residents more severely than a similar closure in a more wealthy area. Car ownership is much lower than in other areas and levels of disability are higher. These factors make it harder for residents to reach alternative post office branches, while the need for the services the branch offers are higher than in better off areas.

In addition I would point out that, for those residents with cars, parking will prove difficult at both the alternative branches suggested. Both the Springfield and Shaftmoor Lane Branches are situated in busy shopping areas where parking is difficult at the best of times let alone with lots of extra post office customers looking to park there. By contrast the Reddings Lane branch is not in



a shopping area. This also means that the non post office services offered by the Reddings Lane branch are particularly valuable as alternative shops for these services are a significant distance away.

Yours sincerely
Cllr Jerry Evans"

Longbridge

"Dear Mr Maisey,

Post Office Closures – Longbridge Ward

I am writing to voice the serious concerns of all those that are likely to be effected by the threatened closure of four Post Offices in the electoral Ward of Longbridge. The sheer number of proposed closures will have a very significant impact on the community, many of which are elderly, less mobile, and more vulnerable than residents in more affluent areas.

I believe that this consultation is both inadequate and weak and will not allow the voice of those who will be effected most, to be heard. When I received your correspondence detailing the proposed closures, I immediately, instructed officers to request an extension to the period of consultation. Surprisingly you did not agree to this request because you considered that you were meeting your obligations for consultation. My sentiments about the length of the consultation period has been echoed all over the City and it is the feeling of all representatives elected and otherwise that not enough time is being allowed to fully consider and make representation about such radical and serious proposals. The consultation period falls well short of the minimum 12 weeks recommended by the Governments Revised Code of Practice on Consultation. The proposals have been produced without any advance informal consultation with interested groups who should have been given the opportunity to contribute to the development of proposals this would have ensured that the proposals were more informed and more acceptable. Indeed, it appears that this short time frame is tactical, and you have no regard for those effected by these proposals, furthermore it gives an impression that this consultation is merely a token gesture.

I am very concerned about the effect on prosperity in Neighbourhoods where closures are being proposed. The Longbridge Ward has a number of areas of deprivation; it is one of the 10-20% most deprived areas of the country. The majority of residents living within these areas will be outside the 'catchment' area of 0.5m walking distance from a receiving branch which is the target that you have set for urban deprived areas. It is obvious therefore that the residents in these deprived areas are going to be greatly effected by the closure of a local post office as will other local businesses near to these post offices. These residents are unlikely to have their own transport, the areas effected all have



high numbers of elderly people and young mothers and will make up a large proportion of the trade over the post office counter, and to the neighbouring shops. They are dependent on the post office being at the heart of their local community. I fear that these areas will decline in the same way that other similar areas have declined since local post offices have been closed and I urge you to give some consideration to this serious issue.

In terms of considering the distance from closing branches to receiving branches I do not feel that due consideration has been given to the terrain in Longbridge which is very hilly and in some cases the distance is as good as doubled because of this. For less mobile people such as the elderly and mothers with prams it will be totally impractical to walk to a receiving branch. Many of these residents will have to rely on public transport and this is another major concern. Some receiving branches can only be accessed if people catch not one but two buses. Pensioners who have to use public transport to the Rubery receiving branch are outraged at the thought, as they will not be able to use their bus passes, because this branch is outside the City's boundary.

Finally I would like to formally state that I do not feel that you have given enough consideration to the planned regeneration in parts of Longbridge. There are large-scale plans for development of the surplus land at the MG Rover site. There are very obvious advantages to the development if it has a post office facility such as the Sunbury Rd Office close by. However, the planned demise of such a facility at this stage is not giving the right message to potential investors, indeed it could have a very negative effect on investment in the area. There is no doubt that the regeneration planned for the area will result in an immense growth opportunity for the post office at this location.

I would like you to give serious thought to the points that I have made on behalf of local residents and urge you to reconsider the very radical proposal to close four post office branches in the Longbridge Ward.

Yours sincerely,
Councillor Steve Bedser

Weoley

Our Ref: ET/PH//LT050404

5 April 2004

Paul Maisey,
Head of Area Post Office Ltd

Dear Sir,

Proposed Post Office Closures



I write to advise you that the Members of the Weoley Ward Committee (Councillors Peter Douglas Osbourn - Chairperson, Ray Holtom and Fiona Williams) at the meeting held on 30 March 2004 expressed their full support for residents in the Ward who were objecting to the proposed closure of post offices in Farren Road, Hillwood Road, Shenley Lane and Weoley Avenue.

Yours faithfully

Paul Holden
Committee Services
0121 303 2013"



7.3 Written submissions received

From a Constituent

A letter was received from a 70 year old pensioner, presently being monitored following treatment for cancer.

M.P.'s

The Committee has received five responses to date from Richard Burden, Lynne Jones, Julie Kirkbride, Stephen McCabe and Estelle Morris. Extracts of these responses follow below:

Richard Burden - Northfield

"On behalf of the Birmingham Group of Labour MPs, I am grateful to the Scrutiny Working Group of Birmingham City Council for the opportunity to make this brief contribution to its report on Post Office Limited's (POL) proposal to close 29 sub post offices in South Birmingham.

Nine out of Birmingham's ten Labour MPs have signed the following Commons Early Day Motion. As a minister, Estelle Morris MP is precluded from signing any EDM but has nevertheless recorded her support for its contents.

EDM797 – CLOSURE OF POST OFFICES IN SOUTH BIRMINGHAM

That this House notes with concern the area plans drawn up by Post Office Ltd for constituencies across South Birmingham which propose the closure of 29 post offices in the area; believes that the plans are poorly researched, that they do not demonstrate an understanding of the needs of people in South Birmingham and that they do not attempt to identify new business opportunities for sub-post offices, simply the problems facing them; notes that the approach of Post Office Ltd falls short of that expected of it under the modernisation programme agreed with the Government and that it fails to address issues raised with Royal Mail Group by the Trade and Industry Committee and those highlighted by Early Day Motion No. 236 tabled by the honourable Member for Birmingham Northfield on 9th December 2003; further notes that Birmingham honourable Members and the Labour Leader of Birmingham City Council have also expressed concern about these proposals, as has the local media, including the Evening Mail through its 'save our post offices' campaign; and therefore calls on Post Office Ltd to rethink its closure plans, to consult local people properly and to consider alternatives which can both maintain a viable post office network and safeguard services for local people.

The concerns outlined in the Early Day Motion are illustrated by scrutiny of the closures planned for my own constituency of Northfield where 5 offices are proposed for closure. The feedback I have had indicates significant opposition to the plan from local residents. Specific concerns I have include:



- The scale of closures – for example most of Longbridge will lose all sub post office provision.
- Sketchy and in some cases inaccurate assessment by POL of the demographics of the area, and failures to take sufficient account either of pockets of deprivation in the areas affected or the business opportunities presented by a number of planned regeneration projects.
- These problems have been exacerbated by POL's reluctance to involve local people and representatives at an early stage in drawing up the area plan.
- Post Office Ltd has adopted an overly restrictive view about appropriate uses of government of POL investment and of the impact of EU State Aid rules, which has limited POL's horizons in tackling the Urban Network Reinvention programme.

The pattern of local Post Office trade has changed dramatically in recent years and not all local post offices are viable. Post Office Ltd has to respond to that reality. But the Urban Network Reinvention programme agreed with the government was not intended to simply be a closure programme. It is about how to create a viable and accessible network of local post offices. The evidence suggests, however, that POL is concentrating on the closures and leaving the network reinvention for later. That is not acceptable as an approach and my belief is that many of the closure proposals themselves are flawed.

The Commons Trade and Industry Select Committee will shortly commence an Inquiry into the way Network Reinvention is being approached. In the light of that, and the representations that are already being made on the specific proposals put forward, I believe POL should re-think its area plans for South Birmingham."

Lynne Jones – Selly Oak

"I have received information from 182 constituents, opposed to post office closures.

The main points are the inconvenience of travelling to an alternative post office and concerns that these are already busy offices and people will have to queue even longer. There is concern about the environmental effects of the additional traffic generated and car parking problems and difficulties people will experience in posting bulky items, particularly for those without their own transport. Finally, people have expressed the view that the Post Office provides an "anchor" to other shops and is essential for the viability of small shopping centres.

I am particularly concerned about the proposed closure of Wychall Road and Raddlebarn Road as access to alternatives is particularly problematic.

I have requested a further meeting with Michael Dalton, Midlands Head of External Relations at Royal Mail Group PLC. "



Julie Kirkbride - Bromsgrove

"No real consideration is being given to the difficulties this creates for the elderly and the inform, or the impact on the wider community."

Stephen McCabe – Hall Green (Letter to Mr Maisey)

"Dear Mr Maisey

Proposed Closures of Urban Post Offices in South Birmingham

Thank you for the information concerning the proposed closures of Yarningale Rd and Highfield Rd urban sub post offices in my Hall Green constituency. The proposal as you point out would mean a loss of two post offices out of a network of 14 in Hall Green although as your letter omits a total of 29 out of a network of 90 across South Birmingham. Your letter refers to an earlier letter (dated 11 Feb 04) from David Mills advising of the nature of the consultation. My office doesn't appear to have received this letter.

I have received no formal complaints as regards the proposals for Highfield Road branch. I should want to point out that there is quite a significant elderly population living in this area but I acknowledge that there are a number of other branches nearby.

I think the situation with Yarningale Rd is quite different. I have received numerous complaints from local constituents concerned at the loss of this service. This area has a large elderly population. There are dedicated pensioner flats nearby. There is also a hostel for people with Learning Difficulties and a number of wheelchair bound residents in the area, some of whom have contacted me about their concerns. A new housing development is being built about 200 metres from this post office and another one at Lindsworth which may well put pressure on one of your 'receiving' offices. No one from your organisation can possibly have attempted to follow the travel routes you recommend; otherwise you would have noticed the very steep hills can be extremely difficult in winter weather.

Yarningale Rd Post Office is located within Brandwood local government Ward, which is identified as one of the worst in the 10-20% category in the National Index of Multiple Deprivation. Some constituents have claimed that the local post master indicated that he doesn't wish to see the service close. Your letter states that the sub postmasters concerned have agreed. Can you confirm these discussions have taken place and that a compensation package has been agreed with each sub postmaster concerned?

I have been surprised at the number of constituents who have contacted me at a rather late stage in the consultation because they say they were not advised of your intentions. This may also account for the lack of formal complaints about Highfield Rd,. I am advised that there has been no consultation with Birmingham City Council.

Do you regard your consultation exercise as being consistent with the



Government's "Revised Code of Practice on Consultation" published January 2004? I note key elements of the guidance recommend a 12 week period for written consultation, not 6 weeks and that the guidance also recommends that groups affected by proposals 'should be contacted and engaged in discussion as early as possible in the process'.

I accept that there are urban post offices which may need to close and that much can be done to modernise and improve the remaining network. However I do wonder at the selection process which includes Yarningale Rd and how much the 'agreement' of the existing post master has been a factor. I cannot accept that the travel routes to 'receiving' post offices take account of the real condition of many of my constituents. I don't consider that my constituents have had an adequate opportunity to take part in the consultation. I am also concerned that no attempt has been made to formally consult with Birmingham City Council or to take account of deprivation factors, and redevelopment plans.

I trust that you will give full consideration to my response on behalf of constituents and particularly bear in mind the difficult these plans will pose for, and concerns for elderly and disabled residents who currently use the Yarningale Post Office.

Yours sincerely
Steve McCabe"

Estelle Morris – Yardley

"I have received direct representations from over 200 residents in my constituency opposing the proposals to close 5 branch Post Offices in Yardley constituency.

Yardley residents are angry and upset that this area has been targeted to lose five more Post Offices. This is a disproportionately high number out of the 29 scheduled for closure across the city of Birmingham.

Local shopkeepers are also concerned about the plans to close the Hay Mills branch. They say once the Post Office goes the community will go.

I attended a meeting of Stechford Village Residents. At the meeting residents strongly objected to the proposals to close 3 branches of the Post Office in Stechford.

Stechford has a high number of elderly people and they rely on their local Post Office. There are several elderly housing units in the area; Miller Court, Madeleine House, Gillies Court and Colbourne court.

My objections to these proposals are as follows:

- Should the proposals go ahead the nearest Post Offices at the Fox and Goose, Glebe Farm and Meadway are all a bus journey away and elderly



residents are anxious about travelling so far carrying large amounts of money

- The local post Office provides a range of services and focal point for the local community
- The local Post Office in Stechford is the only point where people can access a cash withdrawal service. There are no banks or building society outlets in Stechford. The two shops that have cash points charge for the service."

Evening Mail

"The Evening Mail launched a campaign to save the threatened post offices on the day they were announced.

We have been amazed at the amount of support for the campaign and have collected thousands of names on a petition opposing the closures.

We have also spotlighted a different post office each day and canvassed the opinions of people in that area.

Almost unanimously the people on the streets have opposed the closure plans."

Petitions

One petition was submitted to the Working Group from residents around the Bournville Village Post Office calling on "Birmingham Council to put our views in the strongest possible way to Senior Management and Board Members of the POST Office, and to make it clear that in a modern city it is essential that every resident should be able to walk to a post office in 10 minutes."

There were 840 signatories attached.